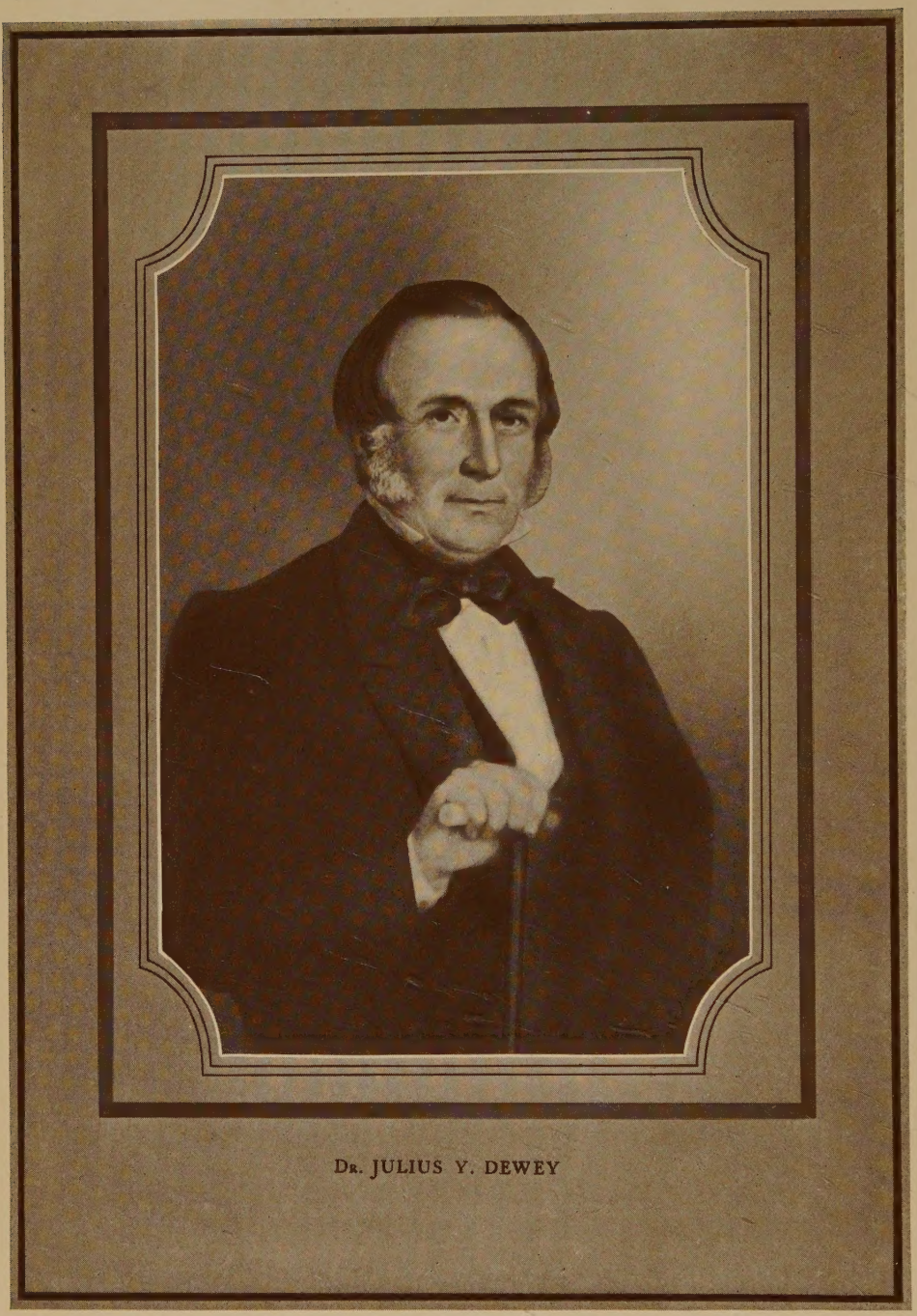
NATIONAL LIFE INSURANCE COMPANY

1850—1925

To *Ottauquechee*
Savings Bank

WITH COMPLIMENTS
OF THE
NATIONAL
LIFE INSURANCE
COMPANY

NATIONAL
LIFE INSURANCE
COMPANY



Dr. JULIUS Y. DEWEY

PRESIDENT, 1851–1877

NATIONAL LIFE INSURANCE COMPANY

A History of Its Foundation and Development

1850 - 1925

PUBLISHED BY THE COMPANY
AT MONTPELIER, VERMONT
M C M X X V

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NATIONAL LIFE INSURANCE COMPANY

PRINTED IN THE UNITED STATES

FOREWORD

THE *purpose of this book is to supply a record of the salient facts relating to the history of the National Life Insurance Company. The attempt has been made to narrate briefly, in untechnical language, the chief events connected with the organization and development of the Company, and to indicate what manner of men have guided its affairs in past years. Contributions in the Company's behalf, made by men still in its service, can be best recorded by the future chronicler. Supplemental to the narrative are photographs so far as obtainable of the Company's incorporators, past and present directors, past and present officers, deceased general agents, present managers whose agencies have produced a million dollars of insurance in any one year, or who have been associated with the Company for at least a quarter of a century, and of individual writers who have for five consecutive years been members of the Leaders' Club.*

All the officers of the Company have cordially coöperated in the work of preparation by helpful suggestions, and by supplying material from their several departments. Acknowledgment of assistance is specially due the Actuarial Department in compiling statistical tables and collating the facts relating to policy evolution, and Mr. Dorman B. E. Kent in collecting biographical and other data.

ARTHUR B. BISBEE.

March 1, 1925

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NATIONAL
LIFE INSURANCE
COMPANY

Chapter I—1848–1850

The ten-year period from 1843 to 1853 marked the beginning of a new era in the history of American life insurance. Prior to that time most of the business had been written by stock companies also chartered to do a trust business. While such companies were on a sound financial basis, the benefits of life insurance were not widely appreciated, there was still here and there a deep religious prejudice against it, active agency solicitation was not generally practiced, and as a result the amount of insurance written was not large. It is estimated that the total amount of outstanding insurance in all the existing companies in 1843 was less than seven millions of dollars.

With the formation in the forties and early fifties of several mutual companies, some of which were destined to win large success, began that tremendously rapid development which has given life insurance such a prominent place among the financial interests of the country, and has so greatly enlarged the scope of its beneficent service.

The companies here referred to are as follows:

First Policies Written	Companies
1843	Mutual Life Insurance Company of New York
1844	New England Mutual Life Insurance Company
1845	Mutual Benefit Life Insurance Company
1845	New York Life Insurance Company
1845	State Mutual Life Assurance Company
1846	Connecticut Mutual Life Insurance Company
1847	Penn Mutual Life Insurance Company
1849	Union Mutual Life Insurance Company
1850	National Life Insurance Company
1850	United States Life Insurance Company
1850	Aetna Life Insurance Company

1850	Manhattan Life Insurance Company
1851	Phoenix Mutual Life Insurance Company
1851	Massachusetts Mutual Life Insurance Company
1851	Berkshire Life Insurance Company

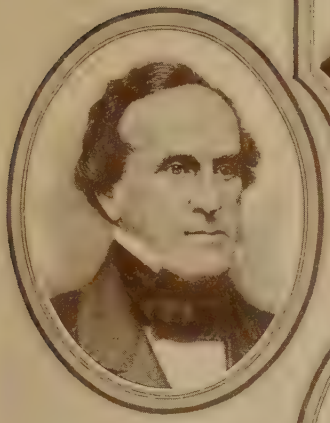
While the National Life Insurance Company did not issue its first policies until 1850, it was legally born at an earlier date. In 1848 Benjamin Balch, a resident of Massachusetts, who had been instrumental in establishing the State Mutual Life Assurance Company of Worcester, came to Vermont with the idea of founding a new company. He soon succeeded in interesting in his project such local men as Doctor Julius Y. Dewey, prominent and successful physician; Timothy P. Redfield, lawyer of note, and afterwards for many years Supreme Court Judge; Daniel Baldwin, President of the Vermont Mutual Fire Insurance Company; Homer W. Heaton, successful lawyer and banker; and Paul Dillingham of Waterbury, leading lawyer, former Member of Congress, and afterwards Governor of Vermont. These were all men of substance, of high character, and widely known throughout the State. With their influence and coöperation the following charter was secured from the State Legislature November 13, 1848:

An Act to Incorporate the National Life Insurance Company

It is hereby enacted by the General Assembly of the State of Vermont as follows:

Sec. 1. The Hon. Henry Clay of Kentucky, Hon. Amos Abbott of Massachusetts, Hon. Robert P. Dunlap of Maine, Hon. William B. Maclay of New York, Hon. William M. Tredway of Virginia, Hon. Alexander Ramsay of Pennsylvania, Hon. Henry Y. Cranston of Rhode Island, William C. Kittredge, Robert Pierpoint, Julius Converse, and Albert G. Whittemore of Vermont, and Benjamin Balch, Esq., of Massachusetts, together with their present and future associates, suc-

HENRY CLAY

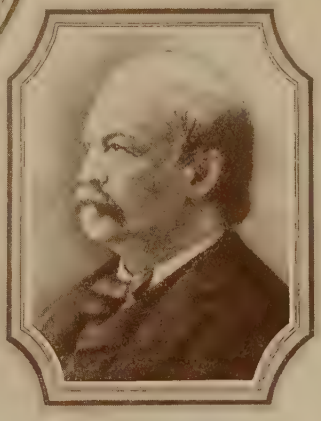


ROBERT P. DUNLAP

HENRY Y. CRANSTON

AMOS ABBOTT

ALEXANDER RAMSEY



WILLIAM B. MACLAY

INCORPORATORS

cessors or assigns, are hereby made a corporation by the name of the National Life Insurance Company of the United States, for the purpose of making insurance on single lives, joint lives and survivorships, and for making reversionary payments and all other contracts whatsoever pertaining to the business of life and health insurance, upon the principle of mutual participation in the funds or profits and mutual contribution or otherwise, with all the usual powers, privileges, obligations, and liabilities incident to similar corporations within the United States.

Sec. 2. The said corporation shall be located in such place in this State as a majority of the incorporated persons named in the preceding section may designate, and the same shall be unlimited in its duration.

Sec. 3. Whenever one hundred or more persons have subscribed to become members of the said Company by being insured for one or more years or for the whole term of life, the first meeting may be called by either of the corporators herein named for organizing the corporation; but only one-half of the whole number of directors or trustees shall then be chosen, but absent members may vote by proxy when duly authorized in writing.

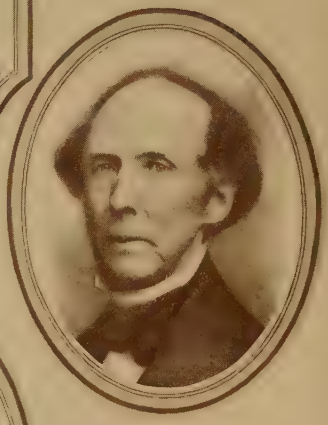
Sec. 4. Immediately after such organization the trustees or directors so chosen may adopt such by-laws, rules and regulations for the safe and prudent management of the affairs of the said corporation as they shall deem expedient; and they shall open books for the subscription and payment of such safety fund or reserved guarantee capital stock as the by-laws may provide.

Sec. 5. When a safety fund stock or reserved guarantee capital shall have been subscribed and paid in or secured in conformity to their by-laws, and the same shall have been approved by the directors, the remaining half of the directors, trustees, and officers shall be chosen by the stockholders, allowing one vote for each share of stock, and absent stockholders as well as insured members may vote by proxy.

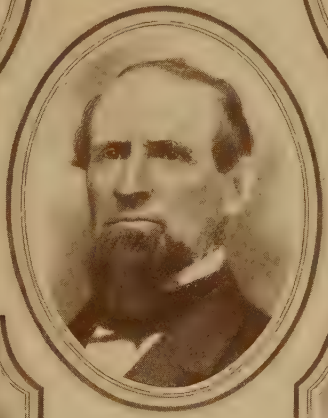
Sec. 6. All the funds, capital, or stock of the said corporation not required for immediate use in the payment of losses and contingent expenses shall be safely and permanently invested, either in the stock of the United States, or in the public state stocks of any State of the Union, or in bond and mortgage of improved and unincumbered real

BENJAMIN BALCH

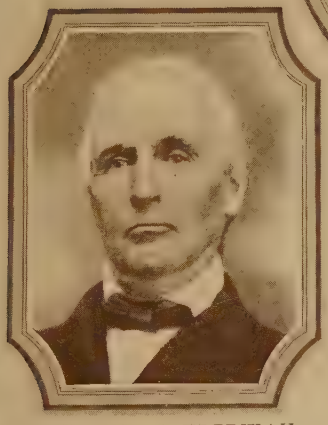
ALBERT G. WHITTEMORE



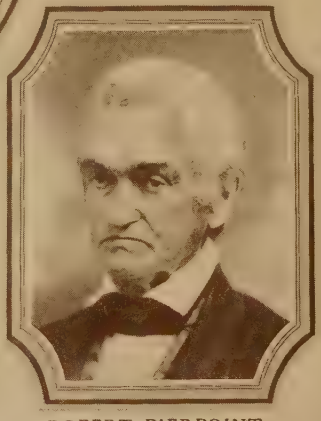
WILLIAM C. KITTREDGE



JULIUS CONVERSE



WILLIAM M. TREDWAY



ROBERT PIERPOINT

INCORPORATORS

estate within the State of Vermont, of the value of fifty per cent more than the sum invested or loaned, or for which stock shall be issued in exchange.

Sec. 7. Before the said company shall commence business in pursuance hereof, the president and secretary or actuary shall declare under oath before some justice, duly qualified, that the full number of insured members required by the provisions of the third section of this act have been secured, together with an amount of safety fund or reserved guarantee capital stock required by the by-laws, of at least one hundred thousand dollars, but such amount of capital may at the pleasure of the directors or trustees be taken, either in money, stocks, or real estate, and the capital so secured may be increased at the pleasure of the board to any further sum not exceeding one million of dollars.

Sec. 8. In pursuance hereof said corporation shall make a return to the legislature of this state as often as once in each year, and transmit a full, true, and exact statement, under oath of the president, actuary, or secretary, of all their affairs, investments, loans, and business, setting forth the amount of each year's losses, expenses, receipts, and investments, and any further facts or information which the legislature shall require.

Sec. 9. The business and affairs of said company shall be managed and conducted by a board of fifty trustees or directors, twelve of whom shall constitute a quorum for the transaction of any business; and the said board shall be elected on the first Monday of January in each year; who immediately thereupon shall choose one of their number for president, five for vice-presidents; and they shall appoint such other officers and agents as the by-laws shall provide.

Sec. 10. The president and secretary of said corporation shall reside in this state, and this act shall be under the control of the legislature to alter, amend, or repeal, as the interests of said corporation and the public good may require.

Sec. 11. This act shall take effect immediately.

During the following months slow progress was made in the preliminary work of organization. The first one hundred members were

pledged, and at a meeting of these members held on the 31st of May, 1849, at the Pavilion Hotel, with William C. Kittredge as chairman and Charles Dewey as secretary, the first twenty-five directors authorized by the charter were elected. Other meetings followed, but no organization was effected.

During its formative period the National was environed, as is the case today, by an agricultural community consisting of about two hundred and fifty individual towns separated by a mountain range running the entire length of the State, north and south. In 1849 transportation facilities were scantily developed, and it was impracticable for a board of fifty widely scattered directors to function satisfactorily.

Benjamin Balch had induced a group of men, some of them of great national distinction, to lend the use of their names as incorporators. A proposed list of directors in one of his early announcements mentions the names of prominent professional, business, and insurance men in Kentucky, Rhode Island, Virginia, Massachusetts, New York, New Hampshire, Illinois, and Pennsylvania, most of whom it was said had consented to serve.

The Montpelier men already mentioned, who had become thoroughly imbued with the idea of organizing the Company, had evidently developed wholly different plans which contemplated a more distinctly Vermont institution. In the furtherance of such plans a charter amendment was obtained October 26, 1849, which fixed the location of the Company in Montpelier and reduced the number of directors to twenty-five. The amendment also empowered the Company to begin business whenever it had secured two hundred members with an aggregate insurance of at least two hundred thousand dollars, or the subscription of twenty-five thousand dollars of guarantee capital, which was to be paid in or secured by stocks or real estate.

Under this amended charter, organization was perfected November 8, 1849, by the election as President of William C. Kittredge, Speaker

of the Vermont House of Representatives and afterwards Lieutenant-Governor and Justice of the Circuit Court; Vice-Presidents, Edmund Weston, Daniel Baldwin, and Julius Converse; Secretary, Benjamin Balch; Committee of Finance, Edmund Weston, Doctor Julius Y. Dewey, and Homer W. Heaton.

The Board of Trustees by by-law divided itself into two groups, a Board of nine Directors with executive power, and a Board of sixteen Visitors with advisory power.

The by-laws also prescribed that the Board of Directors should hold monthly meetings, and that the Board of Visitors should meet in August of each year.

The members of the Board of Directors elected were:

William C. Kittredge	Paul Dillingham
Benjamin Balch	Doctor Julius Y. Dewey
Timothy P. Redfield	Edmund Weston
Daniel Baldwin	Homer W. Heaton

Joseph B. Danforth, Jr.

The members of the Board of Visitors were:

Robert P. Dunlap, Brunswick, Maine, Lawyer, Ex-Governor of Maine and Ex-Congressman.
Julius Converse, Woodstock, Lawyer, afterwards Governor of Vermont.
Jackson A. Vail, Montpelier, Lawyer and Clerk of Court.
Luther W. Anderson, Quincy, Massachusetts, Teacher.
John A. Page, Montpelier, Banker, afterwards State Treasurer for eighteen years.
George Langdon, Montpelier, Capitalist.
William Upham, Montpelier, United States Senator.
Joseph H. Barrett, Middlebury, Teacher, Lawyer, and later United States Commissioner of Pensions.
Lucius B. Peck, Montpelier, Lawyer and Congressman.

OLD PAVILION HOTEL

William C. Bouck, New York City, Ex-Governor of New York.
William C. Bradlee, Westminster, Lawyer and Ex-Congressman.
Homer E. Hubbell, Fairfax, Lawyer.
William Weston, Burlington, Lawyer.
Samuel S. Phelps, Middlebury, United States Senator.
Nathaniel H. Eaton, Danville, Editor and Publisher.
Edward A. Stansbury, Burlington, Lawyer and Editor.

At a meeting held the next day, November 9, Doctor Dewey was chosen Medical Examiner.

The Company was now prepared to commence business as soon as the subscriptions for two hundred thousand dollars of insurance were secured. Pending the accomplishment of this essential detail a table of rates was adopted, plans of operation were agreed upon, application blanks and policy forms prepared, rules and regulations formulated.

The table of rates on page 14, based on the Carlisle Table of Mortality and four per cent interest assumption, was published November 11, 1849.

For the present net cost three per cent reserve basis, American Table, and the result of the development of dividend scale under contribution formula, see Appendix.

November 22, 1849, agents' commissions were fixed at ten per cent of all cash first premiums of twenty-five dollars or under, and, in excess of that amount, five per cent together with a policy fee of one dollar to be paid by the insured.

On December 27, 1849, appeared a prospectus, some paragraphs of which are of interest because they indicate along what lines the founders at the outset hoped to develop the Company and what regulations they deemed necessary for the conduct of its business:

Mutuality in its strictest sense is a leading feature in this Company. Every assured receives his legitimate portion of the profits if he con-

WILLIAM C. KITTREDGE

PRESIDENT, 1849–1851

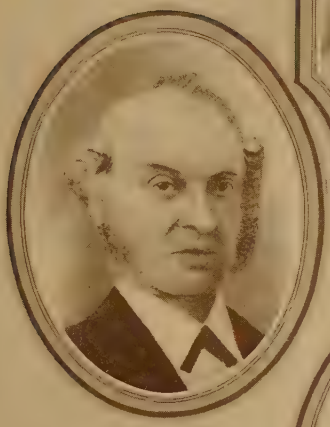
THE RATES OF INSURANCE OF

One Hundred Dollars

On a Single Life, are as follows:

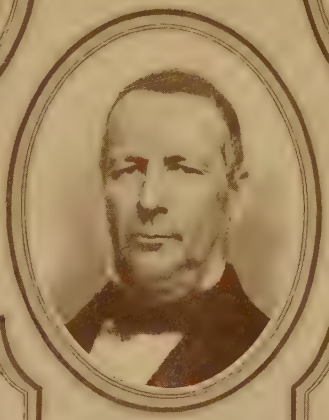
Age	Annual Payment for term of 1 year	Annual Payment for term of 7 years	Annual Payment for Life	Age	Annual Payment for term of 1 year	Annual Payment for term of 7 years	Annual Payment for Life
14	72	86	1 53	41	1 78	1 88	3 31
15	77	88	1 56	42	1 85	1 89	3 40
16	84	90	1 62	43	1 89	1 92	3 51
17	86	91	1 65	44	1 90	1 94	3 63
18	89	92	1 69	45	1 91	1 96	3 73
19	90	94	1 73	46	1 92	1 98	3 87
20	91	95	1 77	47	1 93	1 99	4 01
21	92	97	1 82	48	1 94	2 02	4 17
22	94	99	1 88	49	1 95	2 04	4 49
23	97	1 03	1 93	50	1 96	2 09	4 60
24	99	1 07	1 98	51	1 97	2 20	4 75
25	1 00	1 12	2 04	52	2 02	2 37	4 90
26	1 07	1 17	2 11	53	2 10	2 59	5 24
27	1 12	1 23	2 17	54	2 18	2 89	5 49
28	1 20	1 28	2 24	55	2 32	3 21	5 78
29	1 28	1 35	2 31	56	2 47	3 56	6 05
30	1 31	1 36	2 36	57	2 70	4 20	6 27
31	1 32	1 42	2 43	58	3 14	4 31	6 50
32	1 33	1 46	2 50	59	3 67	4 63	6 75
33	1 34	1 48	2 57	60	4 35	4 92	7 00
34	1 35	1 50	2 64	61	4 53	5 08	7 25
35	1 36	1 53	2 75	62	4 71	5 29	7 55
36	1 39	1 57	2 81	63	4 90	5 50	7 85
37	1 43	1 63	2 90	64	5 08	5 71	8 15
38	1 48	1 70	3 05	65	5 34	5 99	8 55
39	1 57	1 76	3 11	66	5 59	6 27	8 95
40	1 69	1 83	3 20	67	5 90	6 62	9 45

WILLIAM C. BRADLEY

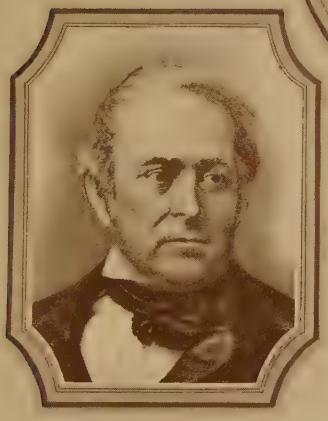


WILLIAM WESTON

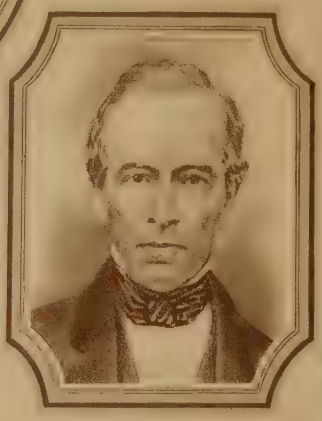
NATHANIEL H. EATON



HOMER E. HUBBELL



SAMUEL S. PHELPS



LUCIUS B. PECK

FORMER DIRECTORS

1849–1851	1849–1851	1849–1851
1849–1851	1849–1851	1849–1851

tinues a member until death, or if he desire to leave the Company after a term of years, he will be paid in cash the equitable value of his policy.

The Board of Directors have deemed it expedient at present to dispense with the payment of a large portion of their Reserved Guarantee Capital, in order to avoid this tax upon the insured members which the guaranteed interest upon its full payment would otherwise impose. They have in accordance with this determination adopted the purely mutual system of insurance.

The Directors are satisfied that the only way to make a Mutual Life Insurance Company both useful as a savings institution and safe beyond a contingency to the assured is to retain the income from premiums until the expiration of the life policies, and that the practice of refunding in scrip, to be paid in whole or part or in the reduction of the annual premiums defeats in a great degree the very objects of the institution. Impressed with this conviction this Company will conduct its concerns accordingly.

A general balance will be struck every five years and each member will be credited with their full proportion of profits and premiums and charged with their proportionate share of losses and expenses, in no case to exceed the annual premium, and in case of death of any member the balance standing to his credit will be paid to the holder of the policy.

The premiums, when the insurance is made for seven years or more and if over $40, can be paid one-half in cash and a note for the other half at twelve months with interest at six per cent with a responsible surety. The note is liable for any assessment, and if no assessment is called, the note may be merged in a new note taken for one-half of the next annual payment, the interest in all cases to be paid each year.

All claims on policies will be paid three months after notice and proof of death, and in all cases will the entire amount of the profits standing to the credit of the assured on the books of the Company be paid in cash, deducting the amount of notes given for premiums and an equitable proportion of subsequent expenses and losses. Those only who insure for seven years and for life participate in the profits.

Persons insured at the rates of the tables of premiums are not to pass south of the southern line of Virginia and Kentucky or west of the

Mississippi, except in the states of Missouri and Iowa, between the first day of July and the first day of November, but may reside north of the southern line named either in the United States or the Northern British Provinces, and may pass in the usual mail and steamboat routes, within said limits, or travel in any place within said limits.

Sea and travel risks were taken at a small extra premium. The insurance age limits were fourteen and sixty-seven, five thousand dollars was the maximum limit on one life. The prospectus says further:

The premiums are to be paid annually, the first on taking out the policy, and annually thereafter; or, if desired it may be paid in a gross sum when the insurance is made, or semi-annually or quarterly with interest on the deferred payments. No policy takes effect until the first premium shall be paid, and the annual or other premiums must be paid the day they fall due, otherwise the policy expires; but it may be revived any time within sixty days, the person on whose life the assurance was made being then alive and in good health, by the payment of said premium, together with an additional sum of ten per cent upon said premium.

By the rules of this Company no risks are taken but those on the lives of persons enjoying good general health and of sound constitutions. Satisfactory evidence of this must be produced to the Company before a policy on any life will be granted. For this purpose the Company have prepared a printed form containing three sets of questions, A., B., and C., and two declarations, 1 and 2.

Persons wanting to insure their own lives must answer the set of questions A. and sign it in the presence of a witness, also to fill up the declaration No. 1 and sign the same in the presence of a witness, and have the sets of questions B. and C. answered by the party's medical attendant and friend. If the party should not have any medical attendant, then by some other regular medical practitioner of good standing and of sufficiently long acquaintance with the party to enable him to give the answers required. The Company also requires in every case where it can be done without too much inconvenience, that the party shall appear before the physician of the Company personally, who is in

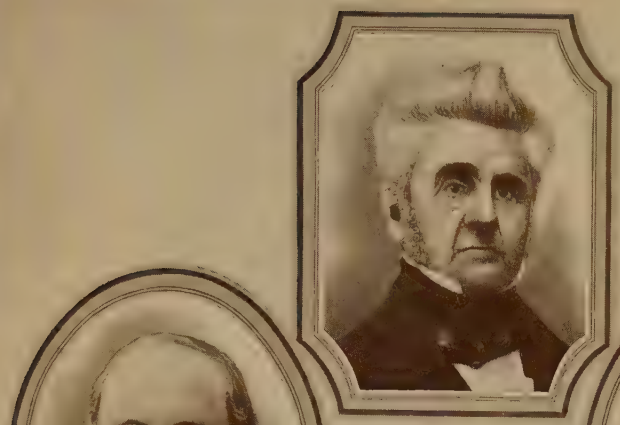
daily attendance, or some of the physicians selected by the Company in the various cities and towns throughout the country.

This prospectus was written by Doctor Dewey and was based upon a study of the current practices of the time. The rules here promulgated do not differ in any essential particular from those governing such practices. Some of the then existing companies were purely mutual, had similar methods of dividend distribution, accepted part premium notes, imposed like policy restrictions, and had outstanding published promises with reference to cash surrender values. The principle of non-forfeiture evidently appealed strongly to Doctor Dewey. He emphasized it in this, his first announcement, and as we shall see, the Company from its inception paid surrender values.

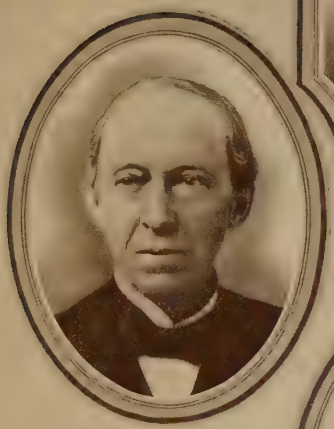
The first office occupied by the Company after its incorporation was located on the second floor of what is now known as the Ellis Block on State Street, over the store of Ellis, Wilder & Company. Before insurance operations were begun it removed to the second story of the old building of the Vermont Mutual Fire Insurance Company, which stood on the same site as that Company's present building, across the street from the Pavilion Hotel. Entrance to the National's headquarters was near the rear of the west side of the building. Over the small door a small sign modestly indicated the location of the National Life Insurance Company.

In this office frequent meetings of the Directors were held during the few weeks which immediately preceded the date of the first policy issued by the Company, at which time the preliminary details were under consideration.

January 15, 1850, Benjamin Balch was removed from the office of Secretary, because he had "transcended his powers and neglected to comply with his duties." Although Mr. Balch's connection with the Company was of short duration and terminated prior to the actual writing of insurance, he was its original promoter. He first conceived



WILLIAM C. BOUCK

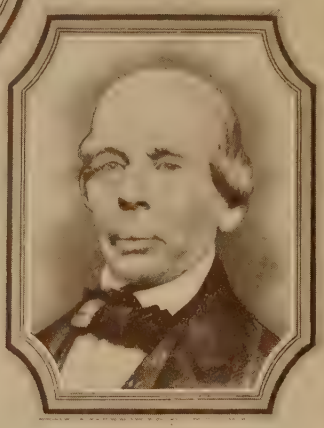


LUTHER W. ANDERSON

JOSEPH H. BARRETT

JACKSON A. VAIL

GEORGE LANGDON



WILLIAM UPHAM

FORMER DIRECTORS

1849–1851	1849–1851	1849–1851
1849–1851	1849–1851	1849–1851

the idea of founding it. He made an important contribution in its behalf by engaging the interest of strong men who effected an organization and afterwards made it a success.

The information concerning Mr. Balch supplied by the early records is too meager to warrant a judgment as to the manner of man he was. His biographer says of him: "Benjamin Balch was engaged in the insurance business. He was a remarkable man, far-seeing, and somewhat eccentric. His eccentricity rose to such a degree that his mind became somewhat unbalanced. He was considered one of the ablest statisticians in the country. Our present national banking law is nearly word for word as he designed it, and advocated long before the Civil War.

"The Pacific Railroad schemes were originated by him before they were dreamed of by others. For more than fifty years he advocated the Darien ship canal. A writer said of him, 'He was called insane, but he knew more than any sane man I have ever met, particularly on the subject of banking and insurance.'

"Mr. Balch, for many years following his marriage, lived in New York City. The last years of his life he passed in Newburyport, and there he died September 24, 1880." [1]

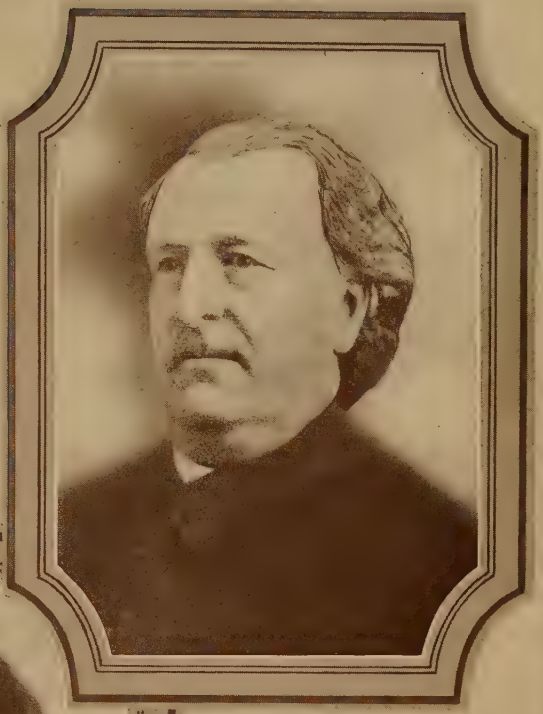
To succeed Mr. Balch as Secretary, Roger S. Howard was elected, his salary being fixed at $600.

Doctor F. W. Adams was appointed Consulting Physician, and it was voted that "all applications for policies shall require the assent of the President or a Vice-President, the Physician of the Company, and the Secretary."

At the same meeting, January 15, President Kittredge, under oath, declared that he had examined the books of the Company and found that "the aggregate subscribed by individual persons for insurance upon their lives exceeds the sum of two hundred thousand dollars."

[1] Balch Genealogy.

ROGER S. HOWARD



BENJAMIN BALCH

FORMER SECRETARIES

1849–1850 1850–1850

The charter requirements had been met and the Company was prepared to start on its business career.

Two days later the first policies were written, and as there were on hand at the time subscriptions for more than two hundred thousand dollars of insurance, the inexperienced officials were actively employed during the next few weeks. Secretary Howard, under date of March 7, 1850, wrote: "In the short space of six weeks, with all the delays incident to starting such an institution, have issued about one hundred and forty policies, the amount insured being about as many thousand dollars, and the receipts in premiums more than $4,000. We have also at this time subscriptions for insurance to the amount of $150,000 in addition to the above sum. You will thus see that we have made a good beginning, quite beyond our most sanguine expectations."

The forms of policies written were mostly Life and short Terms, one, two, three, five, and seven years. A few Endowments were issued. The first, a Thirty-three-year Endowment, No. 42, was dated January 29, 1850, and it is of interest to note that it was carried to maturity. Women were accepted without discrimination, and in a few instances Joint Life policies were granted.

Policy No. 1 was written on the life of Daniel Baldwin, one of the Vice-Presidents of the Company. Facsimile illustrations of the policy and application are shown on pages 31 and 33.

During the first few weeks there were no medical examinations. Such information as was secured bearing upon the applicant's insurability was supplied by his own declaration, together with statements from a friend and his usual medical attendant. After about February 1, 1850, however, medical examiners were regularly employed. The fee for each examination was one dollar.

More than three fourths of the preliminary insurance required by the charter was written by Doctor Dewey personally, but a few agents were appointed in Vermont and New Hampshire to assist in securing

the necessary number of subscriptions. Of the men so employed, three afterwards became general agents of the Company. Early in February, 1850, Charles F. Latham, of New Hampshire, contracted for the Boston territory with concurrent rights over all New England, and a few days later Alpha E. May was appointed Ohio State Agent. Neither of these men remained long with the National. The third agent referred to as having taken part in the canvass for preliminary subscriptions, Chalon F. Davey of Burlington, in later years served as Director of the Company and as General Agent in New York City.

Thus far, practically all the constructive work of the Company had been done by the five Montpelier Directors, Messrs. Baldwin, Danforth, Dewey, Heaton, and Redfield, aided by Paul Dillingham, twelve miles away at Waterbury. They were middle-aged men with important professional and business interests. It was through their personal efforts that the charter and its subsequent amendments were obtained. They effected an organization, secured pledges for $200,000 of insurance, and started the institution on its active career. All this service was gratuitous. There is no mention in the records of compensation for directors and officers, with the exception of the Secretary, until April 4, 1850, when it was voted that "the President shall receive four dollars, the Vice-Presidents shall each receive three dollars, and the Directors shall receive two dollars for each day necessarily spent in the service of the Company, and traveling expenses." It was also voted that there should be no remuneration for service rendered by a Director prior to January 1, 1850, as agent in securing subscriptions for insurance or in any other capacity.

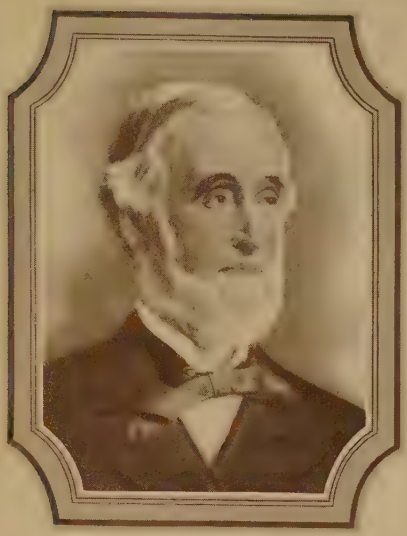
Still another unanimous vote specified that "in no case shall it be lawful to loan any sum of money belonging to the Company to any director or officer of the Company upon any security whatever." This voluntary action, prompted by no charter or legal requirement, the long record of innumerable services without remuneration, and the

evidence here supplied that the interests of the institution were still paramount when they voted their own compensation, throw strong light upon the character of the men who were guiding the affairs of the young Company. All of them were men of probity, prudent and sagacious, and with pronounced ideas regarding fiduciary responsibility. The early career of the Company reflects their high sense of mutuality and fair dealing.

At the same meeting, April 4, 1850, Doctor Dewey was chosen General Agent at a salary of $600 per year and his traveling expenses, "which shall be in full for his entire services in every department, including his compensation as Director, Medical Examiner, or any other office he may hold in the Company."

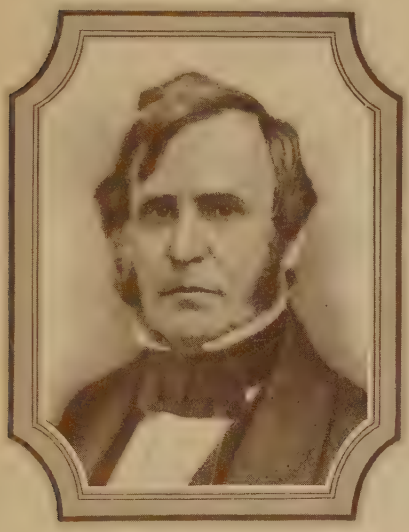
Doctor Dewey was then forty-nine years of age. For that time he had a large and lucrative practice and was comfortably circumstanced. During his sixteen months' association with others in establishing the National he had become a firm believer in and an ardent advocate of life insurance. The beneficent character of its service made a strong appeal to him, and it may be that his indomitable enthusiasm led him to regard the business opportunity as attractive, notwithstanding the mountainous difficulties which stood in the way of successfully operating a new life insurance company in a sparsely settled community with relatively little wealth and at a time when there was almost universal ignorance concerning the purposes and advantages of the institution. Whatever may have been the influences which led him to give up his practice and devote his entire attention to the Company, he entered upon his new duties with customary zeal, and from that time the stamp of his energy, prudence, and judgment more and more marked its affairs.

In 1850 many men were still going from Vermont and the other New England states to the California gold fields. Practically from the beginning of its underwriting operations the National insured



TIMOTHY P. REDFIELD

HOMER W. HEATON



PAUL DILLINGHAM

DANIEL BALDWIN

FORMER DIRECTORS

1849–1888
1849–1891
1849–1867
1849–1852

this class of lives, charging at first an extra premium of three and one-half per cent of the face of the policy. The permits issued covered the Cape Horn, Isthmus of Panama, and Nicaragua routes. In 1850 and subsequent years insurance to the amount of $302,800 was written in 467 policies with such permits, 431 of which were Term and thirty-six Life Policies. This business was unprofitable because of the heavy mortality experience.

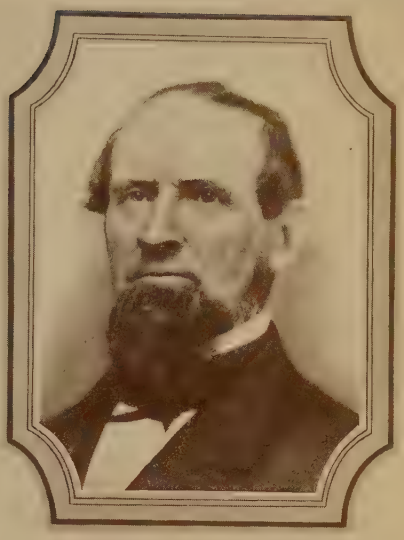
On May 17, 1850, Rowland Allen of Ferrisburg, Vermont, holder of Term policies Nos. 77 and 78, for $500 each, while on his way to California died on shipboard in the port of San Diego. This was the Company's first death loss. Notice of the claim was received at the home office in the following July, when the ninety-day privilege was waived and payment made at once, although it required the personal credit of some of the Directors to raise the funds.

At the time of organization, as we have seen, it was the expectation of the Directors to make the National a purely mutual company. When the pledges for the $200,000 of insurance were solicited and secured, there was apparently no thought of resorting to the alternative of capital stock prescribed by the charter. But after six months' experience in conducting its affairs without capital, the Directors voted unanimously that "in the opinion of this board it will greatly promote the interests of the Company to possess an ample capital, and we therefore order the subscription for $100,000 of the Reserved Guarantee Capital Stock." As evidence that local men of means had confidence in the success of the institution as well as in its management, it was recorded, September 14, that the entire amount had been subscribed.

After an efficient service of some seven months' duration Secretary Howard resigned August 6, 1850, to accept an educational position in Bangor, Maine, and his resignation was accepted with regret.[1]

[1] Roger Strong Howard was born in Thetford, Vt., July 20, 1807. After his graduation from Dartmouth College in 1829 he taught in Massachusetts and Maine, 1829–56. He was success-

EDMUND WESTON



JULIUS CONVERSE

JOSEPH B. DANFORTH, Jr.

JOHN A. PAGE

FORMER DIRECTORS

1849–1853
1849–1852

1849–1853
1849–1855

To fill the vacancy caused by Secretary Howard's resignation James T. Thurston was elected, and his salary was fixed at $800.

At a meeting held October 1, 1850, the Directors introduced a resolution making dividends of surplus payable in reversionary additions and a set of general rules was formally adopted. These rules in effect are the same as those mentioned in the original prospectus with the following changes: (1) The upper-age limit was made sixty instead of sixty-seven years, and (2) all Term policies were made non-participating.

November 5, 1850, it was voted that "hereafter the commission of agents on original policies shall be ten per centum of the whole amount of premium and the policy fee." The renewal commission was fixed at five per cent.

As time went on the then organization of the Company was found unsatisfactory. The President and two of the three Vice-Presidents were non-residents. They were busy men of affairs, and their official relation with the Company was largely nominal. The Board of Visitors, or sixteen of the twenty-five Trustees, could not fail to stimulate confidence in the institution, for it included some of Vermont's ablest and most distinguished men, but they were widely scattered, and the difficulties in the way of their convenient meeting made it impracticable for them to exercise active trusteeships. Need was felt of a more compact directorate, and October 30, 1850, an amendment to the charter was approved, which reduced the number of Directors to thirteen, its present number, and the number of Vice-Presidents to one.

ively rector of St. Stephens Church, Portland, 1856–60; Trinity Church, Rutland, 1860–7; and St. James Church, Woodstock, 1867–9; president Norwich University, 1869–71; rector of the Church of the Reconciliation, Webster, Mass., 1874–9. He died April 16, 1880.

Chapter II—1851–1859

When the books were closed for the first year it was found that 401 policies had been issued, insuring to the amount of $498,400, and that 381 policies insuring to the amount of $479,950 were in force.

Premiums and interest received		$15 135 19
Death loss	$1 000 00	
Total expenses	4 721 95	5 721 95
Balance		$9 413 24

At the annual meeting of the policyholders and stockholders in January, 1851, the following Directors were elected:

Julius Y. Dewey, M.D.	Montpelier
Daniel Baldwin	Montpelier
Paul Dillingham	Waterbury
Timothy P. Redfield	Montpelier
Julius Converse	Woodstock
Edmund Weston	West Randolph
John A. Page	Montpelier
Homer W. Heaton	Montpelier
J. B. Danforth, Jr.	Montpelier
Editor and Publisher	
Albert L. Catlin	Burlington
United States Revenue Collector for Vermont	
George W. Collamer	Barre
Director Vermont Bank	
Charles Dewey	Montpelier
Secretary Vermont Mutual Fire Insurance Company	
Orrin Smith, M.D.	Montpelier

These Directors organized as follows: President, Doctor Julius Y. Dewey; Vice-President, Daniel Baldwin; Secretary, James T. Thurston; Committee on Finance, Homer W. Heaton, Albert L. Catlin, John A. Page; Medical Examiner, Doctor Orrin Smith.

The new President was voted a salary of $800.

William C. Kittredge, one of the Company's incorporators, and its first President, retired at that time.[1]

James T. Thurston, having resigned as secretary, George W. Reed was elected to that office, and in January, 1852, began a conspicuously faithful service which extended over a period of forty-five years. His salary at the outset was $500.

At the same time Charles G. Eastman, Editor of the *Vermont Patriot*, was chosen Director to succeed Joseph B. Danforth, Jr., one of the pioneer workers for the National, who had removed from the state.[2]

The second annual statement, dated April 6, 1852, showed policies in force 654, amount insured $798,200.

Premiums and interest received		$47 553 21
Death losses	$11 000 00	
Interest on Guarantee Capital	2 000 00	
Salaries and rent	2 980 21	
Commissions to agents	2 968 71	
All other expenses	4 827 34	23 776 26
Balance		$23 776 95

Seven of the eleven claims were paid on California risks.

[1] William C. Kittredge was born in Dalton, Mass., February 23, 1800. After his graduation from Williams College in 1821, he studied law and was admitted to the bar in 1824, locating in Fair Haven, Vt. He was member of the Vermont Legislature 1831–33–37–48–49–56, Speaker of the House 1848–9, Assistant Judge Rutland County Court 1831–8, later Justice of the Circuit Court, County Senator 1838–9, Lieutenant-Governor 1852–3, and United States Assessor of Internal Revenue until his death, June 11, 1869.

[2] Joseph B. Danforth, Jr., was born in Barnard, Vt., August 31, 1819. He was postmaster in Barnard under President Polk; for some years editor and publisher *Vermont Patriot* in Montpelier, and Recorder of Deeds. He moved to Rock Island, Ill., in 1851, where he was editor of the Rock Island *Argus* and later of *The Rock Islander*. He died in California January 1, 1896.

No. 1

The National Life Insurance Company of the United States.

THIS POLICY OF INSURANCE WITNESSETH,

That the NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES, in consideration of the sum of sixty two dollars and seventy cents, to them in hand paid by Daniel Baldwin of Montpelier Vermont and of the annual premium of sixty two dollars and seventy cents, to be paid on or before the first day of February in every year during the continuance of this Policy, Do Assure the Life of Daniel Baldwin of Montpelier in the County of Washington State of Vermont in the amount of One thousand dollars, for the term of his life

ANNUAL PREMIUM $62.70

SUM INSURED. $1000

TERM OF Life

And the said Company do hereby Promise and Agree, to and with the said assured, his executors, administrators and assigns, well and truly to pay, or cause to be paid the said sum insured, to the said assured, his executors, administrators, or assigns, within ninety days after due notice and proof of the death of the said Daniel Baldwin deducting therefrom all Notes taken for premiums on this Policy, unpaid at the time.

Provided always, and it is hereby declared to be the true intent and meaning of this Policy, and the same is accepted by the assured upon these express conditions, that in case the said Daniel Baldwin shall die upon the seas, or pass beyond the settled limits of the United States, without the consent of this Company previously obtained, and endorsed upon this Policy, (excepting into the settled limits of the British Provinces of the two Canadas, Nova-Scotia, or New-Brunswick,) or shall, without such previous consent thus endorsed, visit those parts of the United States which lie south of the southern boundaries of the States of Virginia and Kentucky, or west of the settlements on the western bank of the Mississippi River, (except in the States of Missouri and Iowa,) between the first day of July and the first day of November, or shall, without such previous consent thus endorsed, enter into any military or naval service whatsoever, (the militia not in actual service excepted;) or in case he shall die by his own hand, or in consequence of a duel, or by the hands of justice, or in the known violation of any laws of these States, or of the United States, or of the said Provinces, this Policy shall be void, null, and of no effect.

And it is also Understood and Agreed, to be the true intent and meaning hereof, that if the declaration made by the said Daniel Baldwin and bearing date the third day of January 1850 and upon the faith of which this agreement is made, shall be found in any respect untrue, then, and in such case, this Policy shall be null and void: or in case the said Daniel Baldwin shall not pay the said annual premiums on or before the several days herein before mentioned for the payment thereof, then and in every such case, the said Company shall not be liable to the payment of the sum insured or any part thereof: and this Policy shall cease and determine.

And, it is further agreed, that in every case where this Policy shall cease, or become or be null or void, all previous payments made thereon, and all profits, shall be forfeited to the said Company.

N.B. *If Assigned, notice to be given the Company, and the party to whom the Policy is transferred, must sign all premium notes with the assured.*

In Witness whereof, the said **National Life Insurance Company,** have by their President and Secretary, signed and delivered this Contract, at Montpelier, Vt., this seventeenth day of January one thousand eight hundred and fifty-

William C. Kittredge President.

Roger S. Howard Secretary.

FIRST POLICY

Daniel Baldwin, whose valuable and disinterested service in the Company's behalf during its earliest years in securing a charter, effecting an organization, framing its general policies, and in starting operations along right lines, ranks him among its founders, resigned April 5, 1852, as Director and Vice-President.[1] Timothy P. Redfield was elected Vice-President and James T. Thurston was chosen Director.

During 1852 a few cash surrender values were paid at the end of the second policy year. From that time on for a number of years it was the Company's uniform practice to allow such values after the third year.

In 1851 a law was passed by the New York State Legislature requiring all life companies doing business in that State to deposit with the Comptroller the sum of $100,000. This act was no doubt intended to protect the public from companies of doubtful standing, but it was at once construed as an attempt to limit New York business to home companies. Several companies withdrew from the State and retaliatory legislation on the part of other States followed. The directors of the National in July, 1851, appointed a committee consisting of Messrs. Dewey, Heaton, and Thurston, "to consider what legislation, if any, is desirable in our own State in reference to foreign life insurance companies," but, as some of the objectionable features

[1] Daniel Baldwin was born in Norwich, Vt., July 21, 1792. The later years of his minority were spent in Montpelier under the guardianship of an older brother, from whom he learned the carpenter's trade. For many years he was a successful merchant in Montpelier. While so employed he became interested in fire insurance and for a time acted as agent for one or more stock companies. Early impressed with the high rates which his patrons in modest circumstances paid for their protection, the idea of cheaper insurance on the mutual plan occurred to him. Developing the idea along his own lines he became the father of the Vermont system of mutual fire insurance, which system still bears the stamp of his originality. He projected the Vermont Mutual Fire Insurance Company in 1828, refused its first presidency, but later served in that capacity for thirty-three years. He was director of the Bank of Montpelier and later of the Montpelier National Bank. He was a member of the first board of directors of the Vermont Central Railroad and was one of a committee of eight who secured the first survey of the Wells River route in 1850. He died in Montpelier August 3, 1881, universally respected as a public-spirited citizen and as a man.

Copy Roger T. Hovey

APPLICATION FOR MUTUAL LIFE INSURANCE,

UNDER A SPECIAL LIMITED CONTRACT. By Daniel Baldwin

of Montpelier in the County of Washington

and State of Vermont with the Trustees of the

National Life Insurance Company of the United States.

LIFE INSURANCE DEPARTMENT. _____ CLASS

Incorporated by the Legislature of the State of Vermont, Nov. 13, 1848.

OFFICE.....MONTPELIER, VT.

N.B.—Persons proposing an Insurance, are desired to answer all the questions; The two first questions will have the same answer when the applicant Insures his own life—different answers if he Insures the life of another person. to fill up one of the declarations on the next page, and to affix their Signatures in the presence of a witness, previous to transmission of the application to this office, by the Agents, Physicians, or associate Local Trustees.

A. *Particulars required from Persons proposing to effect Insurances on Lives in this Company.*

1.	Name, Residence, and Occupation of the Party, or Party's on whose behalf the Insurance is proposed.	
2.	Name, Residence, and Occupation of the Party whose life is proposed to be assured.	Daniel Baldwin – Farmer, Montpelier, Vt.
3.	Place and date of Birth.	Norwich Vt. 1792 July 21
4.	Age next Birthday.	fifty eight
5.	Is the Party, whose life is to be Assured, Married or Single? Is the Insurance applied for, intended for the benefit of his family or creditor?	Married – For my family.
6.	Has the Party resided abroad, and if so, where, and for what period?	no.
7.	Has the Party been, or is he employed in the Military or Naval Service?	No.
8.	Has the Party been vaccinated, or had the Small Pox?	Has been vaccinated – but has never had the small Pox
9.	Has the Party's Parents, Brothers or Sisters been afflicted with Pulmonary Complaints, or any other Diseases that tends to shorten Life?	Not to my knowledge
10.	Has the Party been afflicted, since his childhood, with Rupture, Fits, Dropsy, Asthma, Liver Complaint Fistula, Gout, Apoplexy, Consumption, or Spitting of Blood, and which?	No –
11	Has the Party been afflicted with Disease of the Heart, or Disease of any of the Vital organs, and which?	no –
12.	Has the Party been afflicted, during the last seven years, with any severe or constitutional Disease, and what?	No.
13.	Is the Party now afflicted with any disease or disorder, and what	Not to my knowledge
14.	Has the Party ever met with any accidental or serious personal injury, if so, of what nature?	None –
15.	Name and residence of the Party's usual Medical Attendant, (or if he have none,) of some other Medical person to be referred to for information as to his health.	Refer to Dr. I. G. Davey
16.	Name and Residence of an intimate Friend to be referred to for similar information.	James F. Thurston –
17.	Sum to be Insured. $ 1000.00	One thousand –
18.	Term for which the Insurance is required.	For life –
19.	Is the Party aware that any untrue or fraudulent allegation, made in effecting the proposed Insurance, will render the Policy void, and that all Payments of Premium, made thereon, will be forfeited, in case of misrepresentation, attempted deception or fraud?	assuredly
20.	Class of members in which this Insurance is to be made.	–
21.	Has any application been previously made by the applicant for Insurance at any other office, or by any other Company, and has the same been rejected? and for what cause?	No. –

Signed, Daniel Baldwin.

Witness, C. Davey

FIRST APPLICATION

of the New York law were soon modified, no legislative action was taken in Vermont. In 1852, however, both New York and Massachusetts still required a paid-in capital stock of $100,000 as a condition precedent to doing business in those States.

The following resolutions adopted July 6, 1852, explain the decision reached by the directors with reference to this requirement:

Resolved, (1) That the interests of this Company demand a capital which will meet the requirements of the laws of New York and Massachusetts.

(2) That the owners of the guarantee capital of the Company be required to pay their stock notes in cash or surrender to the Company their stock on or before the 15th day of October, 1852, and that they be required to make their election whether to pay in their stock or surrender the same on or before the first of September next.

It appears that although only approximately ninety per cent of the stock was actually paid in, the eligibility of the Company to engage in business in the States mentioned was not questioned.

That the part-premium note practice was giving the management some trouble is evident from a vote recorded October 5, 1852, to the effect that such notes "be taken only to the number of five on any one policy issued after this date."

In January, 1853, two of the original Directors and Vice-Presidents, Julius Converse[1] and Edmund Weston,[2] retired. They were

[1] Julius Converse was born in Safford, Conn., December 17, 1798; admitted to the bar 1826; associated in practice with Augustus P. Hunton of Bethel, Vt., for fourteen years. In 1840 he formed a partnership with Andrew Tracy and James Barrett of Woodstock. He was several times member of the Legislature from Bethel and later from Woodstock, County Senator for four years, State's Attorney 1844–7, Lieutenant-Governor 1851 and Governor 1872. He died August 16, 1885.

[2] Edmund Weston was born in Randolph, Vt., in 1799; graduated from the University of Vermont in 1821, was admitted to the bar in 1824, and practiced in Randolph. He was State's Attorney 1837–8 and 1842–3, Judge of Probate 1845–7. His tastes were those of a student, and public office, even the governorship, had no attractions for him. In his profession he won distinction.

succeeded as Directors by Eraſtus Fairbanks of St. Johnsbury, scale manufacturer, and Governor of the ſtate, and Vernon P. Noyes of Montpelier, banker.

The charter requirement that a full report covering the affairs of the Company be made each year to the State Legislature which met in October led to the practice of publishing the annual ſtatement in October or November inſtead of at the beginning of the calendar year.

The statement of November 1, 1853, showed 834 policies in force and total insurance $1,011,930.

In January, 1854, James W. Hickok of Burlington, banker, was elected Director in place of Albert L. Catlin.[1]

The spirit of fair dealing which characterized the Company's early practices is shown in connection with the settlement of a death claim which was brought to the attention of the Directors in October, 1854. The case was referred to a committee conſiſting of Messrs. Dillingham, Redfield, and Heaton, who made the following report:

"The undersigned committee of directors, to whom was referred the claim of Donald Frazer of Quebec, C. E., as assignee of Archibald Frazer, for loss on life of said Archibald, insured in policy No. 166, recommend that said claim for loss be disallowed for the reason that the said Archibald went to reside in the State of Texas in the spring of 1852 and continued to reside there until his decease without the assent of the Company or any notice to it by reason of which said policy became void.

"It appears, however, that Donald Frazer, the assignee of said policy, has paid to this Company two annual premiums of $148.50 each in good faith without knowledge that the insured had done any thing or act to avoid his policy.

[1] Albert L. Catlin was born in Shoreham, Vt., in 1809. His early life was spent in Orwell. He was member of the Legislature 1847–8. After many years of extensive operations in lumber in Vermont and Michigan, he moved to Burlington, Vt., and in 1865 was the firſt mayor of that city. He served one term as Collector of Cuſtoms. He died Auguſt 10, 1884.

"We therefore recommend that said premiums be refunded to the said Donald Frazer."

Rigid policy interpretation was evidently not the major consideration in reaching this decision.

There were still further changes in the Board of Directors at the annual meeting in 1855. John A. Page[1] and Vernon P. Noyes[2] retired, and Jacob Collamer of Woodstock, United States Senator, and George Prichard of Bradford, merchant, received elections.

June 1, 1855, the Directors made the following report in regard to the first quinquennial distribution of surplus:

The Company having now been in operation five years on the first day of February, 1855, and the time arrived when in compliance with its by-laws a dividend of its profits is to be made, its books have been written up to that date and such dividend has been declared as of that period.

The necessary computations having been completed, a reservation believed to be sufficient for all outstanding liabilities and to provide for all contingencies such as deterioration in its risks and investments, and an estimate also for claims upon lives which may have dropped in foreign or remote sections of this country not yet come to the knowledge of the office, it was found that a balance remained for distribution of more than eleven thousand dollars ($11,260).

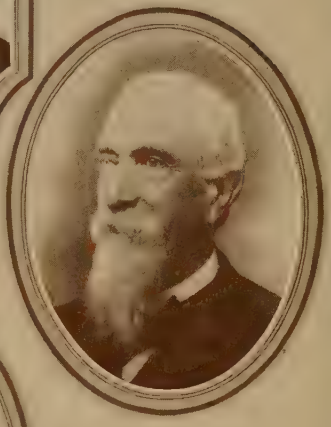
By the rules of the Company this dividend belongs to the whole Life

[1] John A. Page was born in Haverhill, N. H., June 17, 1814. For eight years he was a clerk and merchant in Haverhill, and in Portland, Me. In 1837 he became Cashier of the Grafton Bank, Haverhill; later, Cashier of the Caledonia Bank, Danville, Vt. In 1848 he served Danville as member of the Legislature. In 1849 he became Cashier of the Vermont Bank, Montpelier, and in 1865 was elected President of the First National Bank of that place, continuing in that office for the next nineteen years. He was State Treasurer, 1853–5 and 1866–82. He died August 23, 1891.

[2] Vernon P. Noyes was born in Morrisville, Vt., January 10, 1818. He was clerk and merchant until 1851 when he entered the Vermont Bank, Montpelier, remaining with that institution until 1853. He became Cashier of the Union Bank, Swanton, 1854; Cashier of the Commercial Bank, Burlington, 1855; Treasurer, Champlain Transportation Company, 1865, and continued in that office until his death, September 30, 1885.

ALBERT L. CATLIN

ORRIN SMITH



GEORGE PRICHARD

CHARLES G. EASTMAN

JAMES W. HICKOK

VERNON P. NOYES

FORMER DIRECTORS

1851–1857	1851–1854	1855–1861
1854–1856	1852–1860	1853–1855

policies and is to be added to the sum insured or to the policy and payable at the death of the insured, together with the original amount of such policy, provided there have been paid five or more annual premiums on said policies.

The sum added to each Life policy entitled to it varies according to the age of the insured from twenty to forty-two per cent and the average is a little less than thirty per cent.

The following examples will enable members to ascertain pretty nearly the amount which is added to their policies respectively:

Age when insured	Whole amt. of premiums paid	Sum added to insurance	Sum insured
23	$96 50	$35 51	$1 000
48	208 50	46 13	1 000
32	125 00	38 68	1 000
51	475 00	98 42	2 000
58	325 00	62 90	1 000
39	202 15	54 62	1 300
36	702 50	200 62	5 000

This dividend increases the amount at risk or makes additions to the policies to be paid at their termination by death the gross amount of $20,865.

So far as is known this distribution of surplus was made without actuarial advice.

At the annual meeting in 1856 Chalon F. Davey of Burlington, lawyer and the Company's agent, was elected Director in place of James W. Hickok.[1]

In 1850 guaranteed stock was deemed necessary to provide a working capital and to inspire the confidence of a public more or less distrustful of the mutual system. During the intervening six years sufficient surplus had accumulated to remove these causes and to meet the requirements of the New York and Massachusetts laws. January

[1] James W. Hickok was born in Burlington, Vt., in 1819; graduated from the University of Vermont, 1837; admitted to the bar but never practiced. He was merchant for a time, and for many years Treasurer of the Burlington Savings Bank. He died December 12, 1891.

GILMAN B. DuBOIS

HIRAM F. STEVENS

JAMES C. CONVERSE

CHALON F. DAVEY

GEORGE B. CHANDLER

RUFUS F. ANDREWS

FORMER DIRECTORS

1861–1865	1871–1872	1865–1871
1857–1864	1856–1865	1862–1865

7, 1856, the Directors began the process of reduction by authorizing the officers and Finance Committee at their discretion to reduce the stock to $50,000.

At the July meeting of that year Doctor Dewey's salary as President was fixed at $1,000 and he was allowed an additional $1,000 "for his services in the field in procuring applications for insurance and general superintendence of the affairs of the Company."

This record calls attention to President Dewey's multifarious duties at the time. He was the Company's chief executive, publicity manager, superintendent of agents, personal solicitor, appointer of medical examiners, and he frequently made examinations himself. It is impossible to determine to what extent he acted as soliciting agent, for the reason that his habit was to credit such business as he wrote to the local agent in whose territory the application was made. In a letter dated July 1, 1856, he said that since the organization of the Company he had been absent from home nearly half the time. The evidence at hand shows that he was an effective solicitor. There was no shadow of doubt in his mind in regard to the great value of life insurance to society, and he was able to present his views with cogency. One of his very early arguments published in 1852 is worthy of record:

The wish to provide for the present and future wants of his family is the strongest incentive to exertion with him in whose heart the domestic affections hold their proper place. The first of these objects may in most cases be satisfactorily accomplished by present effort, while the last is often a subject of painful solicitude. Very few in any community have been so favored by fortune that they can cease to be anxious on this account. The comfort and support of almost every family are dependent upon the life of the parent; and it therefore becomes the highest social duty to provide, if possible, for the day when he may be called from them by death. If the accumulations from unassisted labor are an insufficient provision for the day when those labors must cease, and, if the chances

in the professions and in trade are so decidedly adverse to permanent success as to forbid a reliance upon them, what adequate provision, it may be asked, can a prudent man make for the support of his family and dependents, after death shall have terminated his efforts in their behalf? It is by LIFE INSURANCE and by this ALONE that this object may be accomplished. Here he may make for them a provision suited to their prospective wants, of which no contingency can deprive them.

In the early years of his presidency Doctor Dewey made numerous examinations, the reports of which on file are, as a rule, models of precision and evince complete and careful examination. Occasionally, however, his recommendations were not based on physical examination. Across the medical blank he wrote, "I know this man well. He is all right." Or, "I have seen this applicant. He is a good risk."

In selecting medical examiners he looked for the best talent available and showed rare judgment. In Vermont and elsewhere the Company's early examiners were men of high rank in the profession who could be depended upon for careful service.

His confidence in his medical friends in Vermont was unbounded. In several instances he gave to such physicians appointments both as agent and examiner, and for a number of years they passed professional judgment on such business as they wrote, receiving the agent's commission and the examiner's fee.

At the time Doctor Dewey was so busily engaged with the outside affairs of the Company, Mr. Reed was secretary, treasurer, accountant, policy writer, clerical force, and office boy.

In January, 1857, a vacancy in the Board of Directors, caused by the removal from the State of Doctor Orrin Smith,[1] was filled by the

[1] Doctor Orrin Smith was born in New Hampshire in 1807; received his degree from the University of Vermont in 1831, practiced with great success in Berlin, and located in Montpelier, 1850; was Professor of Obstetrics in the University of Vermont 1853–1856, and in 1856 moved to Chicago, where he attained distinguished rank in his profession.

election of George B. Chandler of Concord, New Hampshire, banker.

There entered the employ of the Company in 1857 a young man who in later years became an important factor in its affairs as General Agent, Director, and Vice-President. In 1854 the Boston general agency had been placed in charge of James T. Phelps, Sr., a retired clergyman. Three years later his son, James T. Phelps, Jr., "entered the office to render such assistance as he could to his father, acting as office boy, clerk ordinary and extraordinary, as he was the only one." Thus began a continuous service of fifty-one years, which brought him conspicuous success as a personal underwriter and agency manager, and made him a potent influence in the councils of the Company.

At the annual meeting of the policyholders and stockholders held in January, 1858, Roderick Richardson of Montpelier, prominent banker, was elected Director in place of Erastus Fairbanks.[1]

During 1858 the practice of the Company was modified in some important particulars. The maximum and minimum limits of insurance written on a single life were increased from $5,000 and $100, to $10,000 and $300, it was decided to charge women between the ages of eighteen and forty-five an extra premium of five dollars on each $1,000 of insurance, and the practice of taking notes in part payment of premiums was discontinued.

The reasons for stopping the note system were fully explained at the time. Briefly stated they were:

(1) It was non-mutual. It discriminated against the small policyholder whose premium was less than forty dollars and who was therefore not allowed to give notes.

[1] Erastus Fairbanks was born in Brimfield, Mass., October 28, 1792; was for thirty years head of firm of E. and T. Fairbanks, scale manufacturers. He was a man of indomitable purpose, large views, and solid character, a leader in public and civic affairs; first president Connecticut and Passumpsic River Railroad, and Governor of Vermont 1852 and 1860. He died November 20, 1864.

FIRST HOME OFFICE

SECOND HOME OFFICE

(2) It increased the percentage of surrenders. The man who attempted to pay for his insurance by notes in a few years found himself so heavily burdened with interest that he gave up his policy.

(3) It stimulated over-insurance. Persons not accustomed to consider consequences were induced by this easy method of paying premiums to take larger policies than their circumstances warranted.

(4) A few years' experience with the credit system had demonstrated the fact that its effects were pernicious and that the progress of the Company had been retarded by it.

How to build up a more productive agency force and thus increase the volume of new business was a troublesome question which often received the attention of the Directors. In 1858 it was decided to employ C. F. Davey as traveling agent at a salary of $1,250.

By legislative act approved October 27, 1858, the name of the Company as originally chartered was changed by dropping the words, "of the United States," making the legal designation National Life Insurance Company.

The annual statement of November 1, 1858, refers to the panic of that and the preceding year. "The severe commercial revulsion which, like a whirlwind, has swept over the whole country, and indeed the whole civilized world the last year, has somewhat retarded life insurance, both in new proposals and in obliging some policyholders to terminate their insurances. While we have deeply regretted the sacrifice to the policyholder in being compelled to sell out to the Company at a loss, we have felt gratification in relieving his present necessities by returning to him its equitable value in cash. Some fifteen hundred dollars have been paid during the past year to these necessitous members on surrendering of their policies."

The same statement contains the first report from the Massachusetts Insurance Department, signed by Elizur Wright, after a valuation of the Company's policies.

THIRD HOME OFFICE

FOURTH HOME OFFICE

According to our footings the sums insured by the National Life Insurance Company and the net value on the first of November, 1858, or amount requisite for reinsurance by the Combined Experience rate of Mortality at four per cent interest are as follows:

Amount insured by whole Life policies	
" at annual premiums	$1 371 513 00
" at single "	16 371 47
" insured in Term policies	137 400 00
	$1 525 284 47
Amount required for reinsurance	
" on whole Life policies	$ 91 331 03
" on Term policies	840 88
	$ 92 171 91

In January, 1859, Doctor Charles B. Chandler was elected Medical Examiner.

At the end of practically the tenth year of its existence the National had less than two millions of insurance in force, but it had built a strong foundation. Its expenses were small, and its interest income relatively large. The interest receipts for the year ending October 31, 1859, paid the claims by death and the total home office expense. Except for the early unfortunate results with California lives, its mortality experience had been favorable.

For the year 1859 the National's ratio per cent of actual to computed premium reserve was 167.84, the highest of sixteen companies doing business in Massachusetts.

Chapter III—1860–1869

At the annual meeting January 2, 1860, the Company's by-laws were so modified as to make the President of the Company ex-officio Chairman of the Committee on Finance.

Matters pertaining to the declaration of the second quinquennial dividend were considered at a special meeting held February 8, 1860, at which time it was voted that the "Company, when five annual premiums shall have been paid on a Life policy, shall permit the holder of the policy, if he so elect, to apply the dividend to which said policy is entitled to the reduction of future premiums." A twenty-five per cent dividend was declared.

A tabulation of liabilities made at that time is of unusual interest.

Net assets		$249 775 33
Amount of guarantee stock	$50 000 00	
Amount reserved for reinsurance of all existing policies and first dividend	118 139 00	
Estimated deterioration of lives of insured above difference of age	7 000 00	
Estimated contingencies of investments including premium notes on lapsed policies	19 341 59	
Claims and additions known but not due	9 000 00	
Estimate for losses not heard of	5 000 00	
Estimate for outstanding bills	1 500 00	
	$209 980 59	
Twenty-five per cent on $156,831.86, being the amount of participating premiums on existing Life policies at table rates, received since Feb. 1, 1855	$39 207 96	
Balance not divided	586 78	
		$249 775 33

On March 24, 1860, the Directors bought the two-story brick dwelling house then standing on the site later occupied by the Company's office building erected in 1891. Two rooms were fitted up for office use and a fireproof vault was added. Here the Company was domiciled for the next thirteen years.

There were two changes in the directorate in 1861. Hiram F. Stevens, M.D., of St. Albans was elected to succeed Charles G. Eastman, deceased,[1] and W. H. H. Bingham of Stowe, lawyer, was chosen in place of George Prichard.[2]

The name of Charles Dewey first appears in January, 1861, as a member of the Finance Committee, with which Committee he was so prominently identified for the next forty-four years.

The question of surplus distribution was again considered at the April meeting of that year, and it was voted that "any future dividends of surplus shall be paid by reduction of future premiums or in cash at its present value as a member may elect, provided five annual premiums have been paid. Provided also in case notes are held by the Company against a member the present value of the dividend may be endorsed on said notes or other claims."

The year 1861 was a troublous one for all life companies, particularly those with risks widely distributed through the northern, southern, and border states. Even a small company whose operations had covered only a restricted area in the North was confronted with difficult problems, and there were no data at hand to assist in their solution.

[1] Charles G. Eastman was born in Fryeburg, Me., June 1, 1816; entered the University of Vermont at eighteen; left college before graduation, and engaged in newspaper work at Johnson, Vt. In 1840 he published the *Spirit of the Age* at Woodstock; from 1846 until his death, September 16, 1860, he was editor and publisher of the *Vermont Patriot* at Montpelier. He was County Senator, 1852–3, twice his party's candidate for Congress, and was postmaster for six years. He was also one of Vermont's most distinguished poets.

[2] George Prichard was born in Bradford, Vt., November 19, 1819. He was a merchant in Bradford for twenty years, member of the Legislature, 1858–9, and later postmaster. He successfully conducted a general insurance office in Worcester, Mass., from 1871 until his death, June 13, 1898.

RODERICK RICHARDSON

GEORGE W. COLLAMER

JACOB COLLAMER

FRANKLIN HAVEN

ERASTUS FAIRBANKS

FORMER DIRECTORS

1858–1875	1855–1865	1851–1862
1865–1875		1853–1858

All of the policies outstanding contained a clause stipulating in effect that if the insured engaged in military or naval service without the written consent of the Company, the policy became null and void. Now that a war of uncertain duration and proportions had actually begun, should such consent be given, and if so, on what terms? If military or naval service was engaged in without the consent of the Company, what concessions, if any, should be granted? Should new policies be written with war permits? These were a few of the urgent questions which had to be answered.

Some of the companies sought the advice of Elizur Wright, who, basing his conclusions upon the mortality in European wars and assuming that the existing war would be of short duration, expressed the opinion that permits could be safely granted at two per cent.

Four days after President Lincoln's proclamation was issued calling for 75,000 men, the representatives of sixteen companies met in New York to decide if possible upon a course of uniform action. Their deliberations led to the recommendations that the companies permit their policyholders to enter military and naval service on payment of an extra yearly premium of five per cent of the amount insured, and that for service south of thirty-four degrees north latitude an additional five per cent be charged to cover the climatic hazard, that the insured be given the option to pay the extra rate or to have his policy renewed after discharge from the service upon satisfactory evidence of good health, and that in case death occurs the extra premium not having been paid, the companies should pay the cash surrender value of the policy. There is no record that the National was represented at this meeting, but its action was shaped in substantial accord with its recommendations.

President Dewey's announcement, dated May 30, stated that war permits would be granted "to members of the Company who shall engage on the side of the United States Government" for five per cent

Dr. ORRIN SMITH

Dr. SUMNER PUTNAM

Dr. FREDERICK W. ADAMS

Dr. CHARLES B. CHANDLER

FORMER MEDICAL DIRECTORS

1851-1857
1850-1858

1877-1887
1859-1860

per annum of the amount insured; that the insured would be given the option of paying the extra premium or surrendering the policy for its cash value; that if the extra premium was not paid the policy could be renewed on discharge from the service upon satisfactory evidence of good health, that on policies kept in force the extra premium would continue to be charged after termination of service until the insured was pronounced in sound health by one of the Company's examiners; that the Directors deemed it inadvisable to extend war permits to any except members of the Company then holding policies. A few months later it was decided to charge seven and a half per cent extra for service south of thirty-four degrees north latitude.

The financial condition of the Company, in the judgment of the Directors, warranted a further reduction of the stock, and at the July meeting in 1861 the officers and Finance Committee were authorized to bring the amount down to $30,000 by purchase.

George W. Collamer,[1] who had served as Director for ten years and member of the Finance Committee for eight years, declined reelection in January, 1862, and Rufus F. Andrews of New York City, lawyer, was chosen to fill the vacancy.

That the holders of the Company's stock considered it a good investment, and that for this reason the officers and Finance Committee met with difficulty in attempting to reduce the stock by purchase as authorized is shown by another Directors' vote taken January 6, 1862, that "the stock be reduced pro rata to $25,000."

War conditions operated unfavorably upon the Company's progress for the year ending October 31, 1862, at which time the outstanding insurance was reported as $1,941,846, or some eighty thousand less than at the time of the previous year's statement. The surrenders had

[1] George W. Collamer was born in Burlington, Vt., March 5, 1803. For several years he was a successful merchant in Barre; member of the Legislature, 1847–8. He moved to Montpelier in 1850; was director and afterwards president of the Vermont Bank; member of the Legislature, 1858–9; and extensively engaged in the lumber business until his death, October 31, 1865.

exceeded the amount of new business written, but the assets had increased to $313,594.78. Extra premiums on eighty-four war permits granted amounted to $4,568.06. Five war claims had been paid, amounting to $6,000. The total insurance then in force on war risks was $78,500.

Rates and tables of paid-up values at the end of the second year for Ten Payment Life policies were published in 1862, and such non-forfeiture policies were written from that date. Four years later the values were endorsed in the policies.

Secretary George W. Reed was elected Director January 4, 1864, to succeed George B. Chandler.[1]

The year ending October 31, 1864, showed the largest net increase in insurance in force of any year in the Company's history hitherto. The total amount at risk was $2,661,603, and the assets amounted to $412,071.40. The statement published at that time specifies that the investments yielded an interest return of more than seven and three-fourths per cent, that the extra premiums received for war permits more than covered the $3,100 paid in losses on three war risks, that during the year few permits had been sought or granted, and that the amount of this class of insurance outstanding did not exceed $35,000.

In 1865 Hiram F. Stevens[2] and Rufus F. Andrews[3] retired as Direc-

[1] George B. Chandler was born in Peacham, Vt., June 17, 1803, and graduated from Dartmouth College, 1824. He practiced law in Danville for fifteen years; was Judge of Probate, 1849–50; and for several years president of the Caledonia Bank. In 1852 he became president of the Union Bank, Concord, N. H. In 1866 he located in Boston as land broker. He was accounted a man of remarkable business capacity.

[2] Hiram F. Stevens, M.D., was born in St. Albans, Vt., August 3, 1825. In early life he showed unusual promise as a student, but impaired health compelled him to give up school work for a number of years. In 1855 he was graduated in medicine from the University of Vermont, located in St. Albans, and soon ranked among the leading physicians of the state. He was a member of the Legislature, 1856–7 and County Senator, 1862–3.

[3] Rufus F. Andrews was born in Guilford, O., May 27, 1825; educated in New York City, and admitted to the bar. About 1850 he located in Cavendish, Vt., and became Secretary of Civil and Military Affairs under Governor Charles K. Williams, 1850–2. In 1856 he became head of the firm of Andrews, Colby & Thompson in New York. He was Surveyor of Customs, New York district, 1861–5.

tors, as did also Chalon F. Davey,[1] the Company's General Agent in New York City. Their places were taken by Franklin Haven of Boston, banker; James C. Converse of Boston, merchant, and President Boston Board of Trade and Fred E. Smith of Montpelier, merchant.

At a meeting held February 1, 1865, the time having arrived for the third quinquennial distribution of surplus, the Directors voted a dividend of thirty-five per cent, which, under the modified practice of the Company, could, at the option of the insured, be paid in cash, used for the reduction of future premiums, or as reversionary additions.

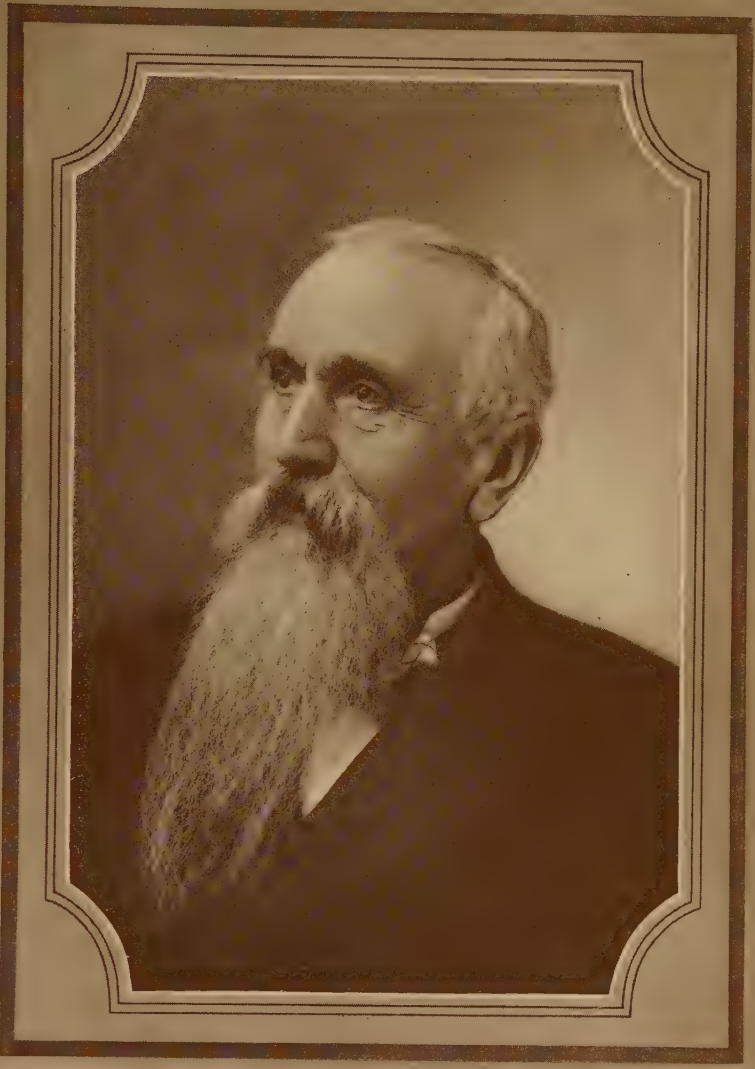
The office work of the Company had now grown beyond Secretary Reed's capacity, and in August, 1865, Edward Dewey, second son of the President, was elected Assistant Secretary and Actuary at a salary of $1,200. Mr. Dewey was then thirty-six years of age. He had been a merchant in Vermont and Canada, had served as Assistant Secretary of the Vermont Mutual Fire Insurance Company, and more recently had seen service in the war as Quartermaster and Captain. From the time of his election he faithfully discharged his increasing duties and responsibilities for a continuous period of thirty-two years.

In January, 1866, Dudley C. Denison of Royalton, lawyer, was chosen Director in place of Jacob Collamer, deceased.[2]

Under prudent and economical management the Company had become financially solid and strong and the need of capital stock was no longer felt. The Directors therefore, January 7, 1867, authorized the retirement of the remaining $25,000. That the condition of the Com-

[1] Chalon F. Davey was born in Fair Haven, Vt., August 28, 1817; was graduated from the University of Vermont, 1842; admitted to the bar, 1846; and located in Burlington. He was Town Clerk, 1847–55; and Clerk of the Vermont House of Representatives, 1849–53. After retiring from the New York general agency he was again traveling agent for a time, and retired from the Company's service in the early seventies.

[2] Jacob Collamer was born in Troy, N. Y., January 8, 1791; graduated from the University of Vermont, 1810; was Lieutenant of Artillery in the War of 1812; admitted to the bar, 1813, and practised in Royalton. He moved to Woodstock in 1836; was State's Attorney, 1822–4; Judge of the Supreme Court, 1834–41; Member of Congress, 1843–8; Postmaster-General, 1848–50; Judge of the Circuit Court, 1850–4; and United States Senator from 1855 until his death.



CHARLES DEWEY

PRESIDENT, 1877–1901

pany warranted this action, and that all the stock had been finally retired, evidently gave great satisfaction to President Dewey, who shortly afterwards, in recapitulating the strong points of the National, said, "The Company is purely mutual. All the assets are owned by the assured. It has no stockholders to take the lion's share of its surplus."

Homer W. Heaton, one of the Company's founders, retired from its service at this time. When, in 1848, the National was granted its charter by the State Legislature, Mr. Heaton was the representative from Montpelier, and was a member of the special committee to which the bill was referred. From the beginning he gave freely of his time and his ability in the Company's behalf. After organization was effected he was a member of the first Board of Directors and Chairman of the Committee on Finance for several years.[1]

Edward Dewey succeeded Mr. Heaton as Director.

At the next meeting of the policyholders, January 6, 1868, it was voted that: "Whenever in the opinion of the President and Financial Committee it shall appear to be for the interest of the Company, they are authorized and empowered to create such amount of stock as they may deem proper, not exceeding two hundred and fifty thousand dollars."

The Directors held a meeting the same day, at which time it was voted to adopt a percentage plan of dividends, and that "a dividend

[1] Homer W. Heaton was born in Berlin, Vt., August 25, 1811; and studied law in Montpelier, where his whole professional and business life was spent. He was State's Attorney in 1839, 1841, 1860, and 1861, represented Montpelier in the Legislature in 1848, at which time he was candidate for Speaker, was twice his party's candidate for Governor, and twice its nominee for Congress. An ardent, lifelong member of the minority political party in the state, he did not hold the public offices which under other circumstances his recognized fitness and the general regard and confidence of the community would have won for him. In 1848 he secured an act of legislation establishing the Vermont Bank, and he served two years as its president. When the Montpelier Savings Bank and Trust Company was organized he was one of the original directors and was its president for many years. By one of the ablest of his professional colleagues he was pronounced "a good all-round lawyer." As a bank official he ranked among the best in the state, sagacious, coolly conservative, and able to cope with difficult problems. His personality and reputation inspired public confidence. His gift to Montpelier of the hospital which bears his name is substantial evidence of his philanthropic spirit as a citizen.

GEORGE W. REED

SECRETARY, 1852–1897

of forty per cent of an annual premium at the Life table rates be made to all participating policies in force on which four annual premiums have been paid. The dividend will be paid on the falling due of the premium." This method was continued until 1892.

In 1869 the National introduced at ordinary Life rates a form of policy called the Life Rate Endowment. The insured was credited with all payments made and with annual interest upon the accumulations to the credit of his account. The debits consisted of his policy's prorated share of expenses and insurance costs. When the balance amounted to the face of the policy, it became payable as a matured endowment. While the dividends were thus left with the Company, the insured was guaranteed the right at any time after two years to withdraw in cash his entire equity in both the policy reserve and the surplus, or to apply the same in purchase of a paid-up policy, or an extension of the insurance at face amount. This proved to be the Company's most popular contract for several years.

The growth of the Company during the preceding ten years is shown by the following table:

	October 31, 1859	December 31, 1869
Income	$60 550 84	$232 895 05
Interest and Rents	14 180 36	67 385 98
Paid Policyholders	7 266 16	85 189 84
Insurance	1 713 396 00	4 776 740 86
Number of Policies	1 123	2 673
Net Assets	240 766 18	857 368 74

In ratio of assets to liabilities the National still stood first among the companies reporting to the Massachusetts Insurance Department, and its percentage of expenses was among the lowest. President Dewey pointed with pride to the fact that the Company in its whole experience had never had a lawsuit.

Chapter IV—1870–1879

At the annual meeting of the Directors held January 3, 1870, the following vote was taken:

That to all outstanding policies when the insured has passed the expectation of life according to the "Adjusted Experience Table" of mortality there be apportioned a sum equal to twenty-five per cent of the original sum insured, the cash value of which shall be applied to the reduction of future premiums, except in cases where premium notes are held, in those cases to the payment of said notes until paid and then the balance to the reduction of future premiums.

President Dewey shortly afterwards stated that this action was based "on the theory that when an assured member shall have lived out his expectation of life, he has contributed his share to the assets of the Company and is entitled to consideration therefor." The practice thus initiated was discontinued in 1900.

During the year 1870 the Company wrote nearly twice as many policies, and more than twice as much insurance as had previously been written in a single year. The statement of January 1, 1871, showed insurance in force $6,109,326.29, and assets $953,112.90. For this increase in business President Dewey gave credit to the Company's new Life Rate Endowment policy.

At the annual meeting held January 2, 1871, Charles Dewey, the eldest son of the President, was elected Vice-President. Mr. Dewey, who was then forty-six years of age, graduated from the University of Vermont in 1845, had been Secretary of the Vermont Mutual Fire Insurance Company for more than twenty years, a Director of the National since 1851, and a member of its Finance Committee for ten years. He assumed his new duties, therefore, in the prime of life, after

a long business training, and with a thorough knowledge of the Company's affairs. From that time on he was an active factor in its management, at first as his father's understudy and assistant, and later as chief executive.

At the same meeting the Company's maximum insurance limit on a single life was increased from $10,000 to $20,000.

Frederick Billings of Woodstock, lawyer, banker, and railroad financier, and Gilman B. DuBois of New York, merchant, were at this time elected Directors to succeed James C. Converse[1] and Fred E. Smith.

At the beginning of 1872 Doctor Ezra Paine was elected Medical Examiner, and Gilman B. DuBois[2] was succeeded as Director by James C. Houghton of Montpelier, Cashier of the First National Bank.

During the twenty-six years of Doctor Dewey's presidency there were several changes in the Medical Department of the Company. Doctor Frederic W. Adams was Consulting Examiner from 1850 to 1858.[3] Doctor Orrin Smith, who was also a Director of the Company, was Medical Examiner from 1851 to 1857. Doctor Charles B. Chandler was Medical Examiner for one year, from 1859 to 1860,[4]

[1] James C. Converse was born in Weathersfield, Vt., September 23, 1807; was for many years a successful iron merchant in Boston, practical founder of the Boston Board of Trade, and its president, 1863–5. He was vice-president of the National Board of Trade, 1868, chairman of the Massachusetts Board of Railroad Commissioners, 1869–73; and an iron merchant in McKeesport, Pa., for four years following 1873.

[2] Gilman B. DuBois was born in Randolph, Vt., October 9, 1823; was clerk and merchant in Randolph, Mass., until 1847, when he returned to Vermont on account of failing health. Three years later he became a wholesale shoe merchant in Boston. In 1873 he engaged in the same business in New York, and retired in 1885.

[3] Doctor Frederic W. Adams was born in Pawlet, Vt., in 1786; received his degree from Dartmouth Medical School, 1822; practiced in Cambridge and Barton, Vt., and located in Montpelier in 1836. He was widely known as a capable physician and surgeon and a man of marked literary ability. A pronounced atheist, his book "Theological Criticisms", published in 1843, excited general attention.

[4] Doctor Charles B. Chandler was born in Chester, Vt., in 1796; graduated from Brown University, practiced for thirty-three years in Tunbridge, Vt., was member of the Legislature in 1837, 1838, and 1852, moved to Montpelier in 1856, where he was a successful and much respected practitioner.

EDWARD DEWEY

VICE PRESIDENT, 1877–1897

and Doctor Ezra Paine from 1872 to 1874.[1] The records indicate that the official relations of these different physicians with the Company were largely nominal. Doctor Dewey conducted the affairs of the department.

In April, 1872, Paul Dillingham was appointed Attorney for the Company, and John B. Thurston was chosen Assistant Secretary at a salary of $1,200.

At the annual meeting in 1873 a committee was appointed to negotiate for the rental of the west half of the second story of the new building of the Vermont Mutual Fire Insurance Company, and later in the same year the Company moved thereto, its fourth home office.

Roderick Richardson, who had given the Company distinguished service as Director for seventeen years and as member of the Committee on Finance for eleven years, retired in January, 1875,[2] as did also Franklin Haven.[3] The vacancies were filled by the election of Fred E. Smith of Montpelier and Eustace C. Fitz of Chelsea, Massachusetts, merchant.

At the close of the Civil War life insurance enjoyed a high degree of popularity. During the panic of 1857, when so many other finan-

[1] Doctor Ezra Paine was born in Orange, Vt., in 1818. Little information is obtainable concerning him. He practiced for a time in Barre and later for a few years in Montpelier. He was very highly regarded by Doctor Dewey. He moved to Boston in 1873.

[2] Roderick Richardson was born in Stafford, Conn., August 7, 1807. In his childhood his family moved to Waitsfield, Vt., where at an early age he engaged in business with his father as merchant, hotel proprietor, and farmer. He was member of the Legislature five times, County Senator, 1844; Assistant Judge of the County Court, 1848. He moved to Montpelier in 1855 and became director of the Vermont Bank, later president of the First National Bank, and first president of the Montpelier & Wells River Railroad. In 1869 he became a member of the firm of Ware, Richardson & Company, commission merchants, in Boston. He was a successful man of affairs and a highly useful citizen.

[3] Franklin Haven was born in Cambridge, Mass., May 30, 1804. At twenty he became a teller in the Globe Bank, Boston, and in 1831 cashier of the Merchants Bank, Boston. He became president of this institution in 1836 and held that office for forty-six years. He was Pension Agent for Massachusetts 1838–54, director of the Illinois Central Railroad, 1851, chairman of the Commissioners of Public Lands, 1858, director of the Eastern Railroad, and first president of the Boston Clearing House. He was the confidential friend of Daniel Webster and trustee of his Marshfield estate.

FRED E. SMITH

DUDLEY C. DENISON

JAMES T. THURSTON

WILLIAM H. H. BINGHAM

FORMER DIRECTORS

1865–1907
1852–1878

1866–1905
1861–1894

cial and mercantile establishments of previously unimpaired credit closed their doors, all of the established life companies weathered the storm without serious loss of strength. They also withstood the strain of the war and with the revival of business they experienced a rapidity of growth which surpassed all previous records. The insurance in force increased nearly fifty per cent per annum during 1865, 1866, and 1867. This remarkable popularity and prosperity of the business excited the formation of many new companies. In 1860 seventeen companies reported to the New York State Insurance Department. Sixty-nine companies so reported in 1870.

As subsequent events proved some of these new companies had no adequate financial foundation from the beginning and were incompetently and dishonestly managed. All of them had to meet the competition of strong, well-organized companies with established reputations. To secure patronage unusual inducements were offered, low rates charged, and large dividends promised. It was an era of speculation and high pressure. Agents were given previously unheard-of commissions and bonuses.

The older companies protested against the methods employed and called public attention to the unsound practices. In 1866 President Dewey wrote:

> This Company intends to enter into no uncertain and hazardous schemes, nor by promise of dividends and bonuses that are not and cannot be legitimately earned excite expectations or solicit risks on other than sound and prudent principles. The idea that a company can repay fifty or eighty per cent of the premiums received and yet be able to fulfill its contracts through a course of years is an absurdity and fallacy. By neglecting to husband its accumulating funds or by diverting its receipts from their legitimate object a company may make extraordinary dividends in the early years of its existence and may also insure at low rates, but it is impossible that this can be done without gradually sapping the foundation of the institution and putting in jeopardy its ultimate existence.

But little heed was given to such warnings, which were looked upon as incidents of competition, and the low rates and large dividends continued to win patronage. The times were good, and the tremendous volume of new business concealed bad management. But the wide-spread industrial and business depression of the early seventies brought the day of reckoning. Between 1873 and 1879 thirty or more companies, one after the other, were declared insolvent, and, with three exceptions, all of them had been organized since 1860.

Investigations which followed showed many instances of gross incompetence, unscrupulous management, and complete betrayal of corporate trust. The shock which followed these failures and disclosures was unprecedented, and here again the public was not able to make fine distinctions. All companies paid penalty for the shortcomings and wrongdoings of the few. Even the strongest and most conservative were more or less discredited. A feeling of distrust became very wide-spread. These were the darkest days in American life insurance history. New issues fell off, and the companies reporting to the New York State Insurance Department experienced between 1874 and 1879 a decrease of nearly thirty per cent in insurance in force.

During this whole period the incursionist was much in evidence and played a leading part in the wrecking of some of the unfortunate companies that were then forced out of existence. By hook or by crook, usually working in the dark, he obtained control of the company he had selected as his victim and then manipulated its affairs in his own peculiar way.

The National was not fortunate enough to escape the attention of different classes of raiders. On two occasions President Dewey was approached by parties who proposed the purchase of the Company's management. He was asked to fix a price which would induce him and a majority of the Board of Directors to retire. Several threatening attacks were made by collecting proxies from policyholders, and twice

enough proxies were actually secured to outvote the management; but the threatened invasions failed because the precaution had not been taken to comply with the Company's by-law provision that proxies must be filed with the Secretary thirty days prior to the date of election. Early in 1876 the Company was made aware of the fact that another raid was in process of formation. Policyholders in New York, Ohio, and other western states were being approached for proxies, and sufficient progress had been made to require prompt action on the part of the Home Office.

The National was peculiarly vulnerable to such attacks. It was located in the country where it was far more difficult to obtain quickly a large number of proxies than in great centres. Ordinarily few, if any, policyholders outside of the Directors attended the annual meetings, and its entire Board of Directors was elected each year. A surprise attack of any considerable dimensions might easily supplant the whole management.

Opinions may differ as to the best method of defense against such incursions. The evidence at hand clearly establishes the fact that the action taken by the Directors in this instance was solely in the interests of the Company.

At the quarterly meeting of the Directors held April 4, 1876, it was voted to amend Section I of the by-laws by striking out "$100,000" and inserting "not exceeding $100,000 at the discretion of the Finance Committee," thus limiting any issue of guarantee stock to $100,000.

It was also voted :

Whereas, in the opinion of the Board it will greatly promote the interests of this Company to possess an ample capital, we therefore order the subscription for not exceeding one hundred thousand dollars of the reserved guarantee capital stock as authorized by the charter of the Company.

FIFTH HOME OFFICE

The President and Finance Committee are hereby appointed commissioners to procure said stock and award the same and to make all necessary arrangements therefor.

The holders of said stock shall be entitled to receive an annual dividend of seven per cent per annum payable one-half October first and one-half April first in each and every year, but said stock shall not participate in any profits of the business of the Company or surplus.

Said stock shall be reimbursable at the pleasure of the Board of Directors on giving six months' personal notice to the stockholders.

In accordance with this order stock subscriptions were made and stock to the amount of $66,000 was awarded to the Directors and their immediate friends. The Company's by-law provided that the holders of this stock were entitled to one vote for each fifty-dollar share. The whole issue therefore gave the management 1320 votes.

Apparently some months elapsed before the raid promoters became aware that defensive measures had been taken. When the facts were known to them, appreciating that the scheme they had been developing to secure control of the Company could not be made effective under the changed conditions, they decided to break down the management by a campaign of defamation and slander. Taking advantage of the inflamed condition of the time, by malicious rumor and misleading newspaper reports they attempted to convince the public, and particularly the National's policyholders, that still another company had been crookedly dealt with by its management, that the Directors had appropriated the Company's funds for their personal benefit. Policyholders were advised to compel the retirement of the stock by court procedure and by injunction to destroy its voting power.

To President Dewey, who had during its whole history conducted the affairs of the Company with unselfish regard for prudence and economy and with the interests of the policyholders primarily in view, this was a grievous attack, but he met it forcefully and effectively.

GEORGE G. BENEDICT

PERLEY P. PITKIN

FREDERICK BILLINGS

WHEELOCK G. VEAZEY

FORMER DIRECTORS

1892–1907
1871–1890
1878–1891
1889–1898

Under date of May 18, 1877, the following letter was sent to the Company's policyholders:

It having been ascertained by us that certain parties desiring a change of management of the Company in which you as well as ourselves are directly interested, and having good reason to know that such change would be prejudicial to the great interest we represent, we, acting in good faith that in no wise through the efforts of intriguing men should the status of the Company be imperiled, have, in accordance with the privilege given in the seventh section of our act of incorporation, issued stock to the amount of sixty-six thousand dollars, all of which has been taken and the amount paid in in cash.

The object of this issue is to obtain the votes in person or by proxy of persons holding said stock in order that the management, which has for more than a quarter of a century controlled and directed the affairs of this corporation until in integrity and strength it stands the peer of any in the country, shall be continued in office.

While it may not have been necessary to take this precaution could we but obtain with ease the proxies of many policyholders at distance or if our members could themselves attend our annual meetings and cast their votes, we have thought best in advance of peril to protect you in accordance, as we believe, with your most earnest desire.

We point with pride to the record of the National Life Insurance Company and refer to it as the pledge and promise of its future.

On the same day President Dewey requested the Insurance Commissioner of Massachusetts to examine officially the Company and "all the affairs and doings of its officers." About the same time he sent a similar request to the Vermont Insurance Department. Commissioner Rhodes of Massachusetts replied that it would be impossible for him to conduct such an examination at that time. The Vermont Commissioners, George Nichols, Secretary of State, and John A. Page, State Treasurer, made a complete examination as requested, and submitted a report under date of May 21, 1877. After

covering the financial condition of the Company and the charter authorization of the stock issue the report is as follows:

In regard to the propriety of such issue of stock there may be a difference of opinion, but from facts within our knowledge and evidence submitted to us, we think the action of the Company and of the Board of Directors under the authority conferred upon them in issuing this stock highly commendable, and that it was a wise and necessary measure.

Furthermore, by such issue no rights of any policyholder are in any way abridged and so far at least it is of no expense to the Company, as the funds received for the stock earn fully the dividends to be paid on it.

The real intention of such issue of stock was not in the interest of the stockholders, but simply to guard against any surprise and to protect the interests of the policyholders against evils which might result from any radical change in the policy of the Company.

President Dewey's prompt action in giving the Company's policyholders a full statement of the facts and this report from the State Insurance Department evidently quieted public apprehension and put an end to the campaign of the raiders. No published attacks of a later date have come to notice.

A last flicker of hostility was manifested at the next annual meeting of the policyholders when there was presented the following protest signed by fourteen policyholders:

The undersigned policyholders in the National Life Insurance Company of Montpelier, Vermont, having heard that some sixty thousand dollars of guaranteed stock has been issued of this Company, heretofore mostly to its directors to the exclusion of its policyholders to whom it justly belongs hereby protest against the issue of such stock and to its being voted upon at any meeting of the Company.

The Secretary's record specifies that only two votes were cast in favor of recording this protest. The storm having blown over, at a Directors' meeting held January 7, 1878, the officers and Finance

Committee were authorized to purchase and cancel sixteen thousand dollars of the capital stock at par and accrued interest. One year later the remaining fifty thousand was retired.

This attack upon the Company in so far as it affected its business, its reputation, or its progress was of trifling consequence, but it brought very serious results of a wholly different nature. The health of President Dewey had been impaired for some years. In 1871 he manifested alarming cardiac symptoms from which, however, he made a slow recovery, and by carefully regulating his life he had been able to discharge the duties of his office. His physician's record states that in the evening of May 20, when hostilities were most acute, over-excitement precipitated a heart attack from which he did not recover. His death occurred May 29, 1877.

Doctor Dewey came from vigorous Puritan stock. He was born on a farm in Berlin, Vermont, August 22, 1801. He was educated at the public schools and at the Washington County Grammar School, where began his life-long friendship with Paul Dillingham. He graduated in medicine from the University of Vermont in 1824 and locating in Montpelier, his strength of character and professional skill soon won for him a large practice. Not only was he successful professionally, but being a good business man, he prospered financially.

As a citizen he was influential and always actively interested himself in whatever concerned the public weal. He never sought nor held public office. Possibly his temperament was too ardent and his opinions too positive to make him available.

All who knew Doctor Dewey testify to his remarkably forceful personality. Senator Dillingham in his address at the National's semi-centennial anniversary spoke of him as follows: "There was not a negative characteristic in his entire make-up. He was sure of his position when taken, strong in its advocacy, and extraordinarily forceful in securing the object for which he set out."

JAMES B. ESTEE

W. SEWARD WEBB

GEORGE BRIGGS

CHARLES T. SABIN

EUSTACE C. FITZ

FORMER DIRECTORS

1901–1911		1895–1907
1879–1888	1889–1920	1875–1878

William Barnes, former Superintendent of the New York State Department, wrote in 1908, "I recollect Doctor Julius Y. Dewey and his 'John Hancock' signature to his honest and reliable Annual Reports to the New York Department. He was of large frame, square-rigged, and square and strong on his feet, looked you in the eye. I do not wonder that the Spanish fleet was destroyed at Manila, if as reported Admiral Dewey was a relative of the President of the National." Admiral George Dewey was the third son of Doctor Dewey.

In 1848 his interest became thoroughly aroused in the establishment of the National Life Insurance Company as first proposed by Benjamin Balch. With other able men he lent his energies to the laying of its foundation. But he never did things by halves; his enthusiasm soon led him to give up his professional duties and devote his whole time to the Company.

In April, 1850, he engaged to serve as General Agent and Field Manager. After the reorganization in 1851 he was made President, and from that time on, as long as he lived, he was the guiding and dominant spirit of the institution. Through all the years he was supported by a strong Board of Directors from whom he sought and received advice, but the constructive work was done by him. His strong, impellent personality, his unfaltering courage, and his well-balanced business judgment overcame all obstacles, no matter how formidable, and he developed the Company along his own lines.

His aim appears to have been from the beginning to build a strong policyholders' company. He would make his policy contracts as liberal and the net cost as low as was consistent with safety. As we have seen, the Company's policies were from the outset non-forfeitable. The same prudent care which he gave to his private affairs characterized his management of the Company. A low expense ratio coupled with large interest returns would increase the dividend earnings. The interests of the insured were always paramount with him. If he erred,

JAMES L. MARTIN

JOHN G McCULLOUGH

CLARK C. FITTS

LEVI K. FULLER

FLETCHER D. PROCTOR

FORMER DIRECTORS

1906–1915		1899–1915
1891–1896	1916–1916	1907–1911

it was on the side of too great liberality to them. All of the Company's dealings with its policyholders, individually and collectively, reflected his high standard of integrity.

In his last annual statement, dated January 1, 1877, appear these words: "The primary object of the managers of this Company has been to maintain strength beyond the power of adverse contingencies to seriously impair, that no disappointment might befall those whose welfare depends upon the integrity of its contracts."

To undertake without insurance experience the establishment of a life insurance company in a rural community with a scattered population required indomitable courage. Success in building under these conditions an institution of the very highest rank in point of soundness and strength gives evidence of strong character, single-minded devotion, prudence, and judgment. All friends of the Company must count it singularly fortunate in its early forceful, able, and honest management.

At a special meeting of the Directors June 5, 1877, Charles Dewey was chosen President; Edward Dewey, Vice-President; John B. Thurston, Actuary and Assistant Secretary; and Sumner Putnam, M.D., Medical Examiner.

The annual statement of January 7, 1878, showed a still further decrease of outstanding insurance to $8,562,232, and the assets to $2,039,046.09. The surplus was increased to $685,853.67.

In January, 1878, General Perley P. Pitkin of Montpelier, manufacturer, was elected Director to succeed Doctor Dewey, and James T. Phelps, the Company's General Agent in Boston, succeeded Eustace C. Fitz.[1]

[1] Eustace C. Fitz was born in Haverhill, Mass., February 5, 1833. The greater part of his life was spent in Chelsea, Mass. He was an iron and steel merchant in Boston for many years, mayor of Chelsea, 1864–6; member of the Legislature, 1873–4; State Senator, 1875–6; member of the Governor's Council, 1881–2; trustee of Newton Theological Institution, Brown University, and Wellesley College; director of the New York & New England Railroad and the West End Company, and president of the Blackstone Bank.

At the quarterly meeting of the Directors held July 2, 1878, announcement was made by the President of the death of Director James T. Thurston,[1] who was Secretary of the National from August 6, 1850, to January 5, 1852, and had served as Director for twenty-six years, and as member of the Finance Committee for twenty-three years.

That general insurance conditions were still highly unsatisfactory is evidenced by another drop in the insurance in force January 1, 1879, to $8,183,357. The assets had increased slightly to $2,097,514.60, and the surplus was $628,152.03, less capital stock.

At the annual meeting of the Directors held January 7, Charles T. Sabin of Montpelier, manufacturer, was chosen Director in place of James T. Thurston.

In 1879 a contract was made with George H. and Oscar N. Olmsted of Cleveland, Ohio, who, under the firm name of Olmsted Brothers, became State Agents. This proved to be a fortunate selection for the Company. From the beginning the agency measured up to a high standard of underwriting efficiency.

In the same year the Company introduced a new form of policy, which was very favorably received. It was first suggested to the Directors by James T. Phelps, who, in observing a large number of people in line at the Boston post office where government bonds were on sale, and being impressed with the popular demand for a bond which called for the immediate payment of a definite sum and provided for a yearly interest income with the return of the original sum after a stated period, conceived the idea that an insurance bond requiring a small yearly outlay with provision for cash annual values and the payment of the face amount at a stipulated time, or at prior death, would meet with popular favor. The Company developed Mr. Phelps's idea,

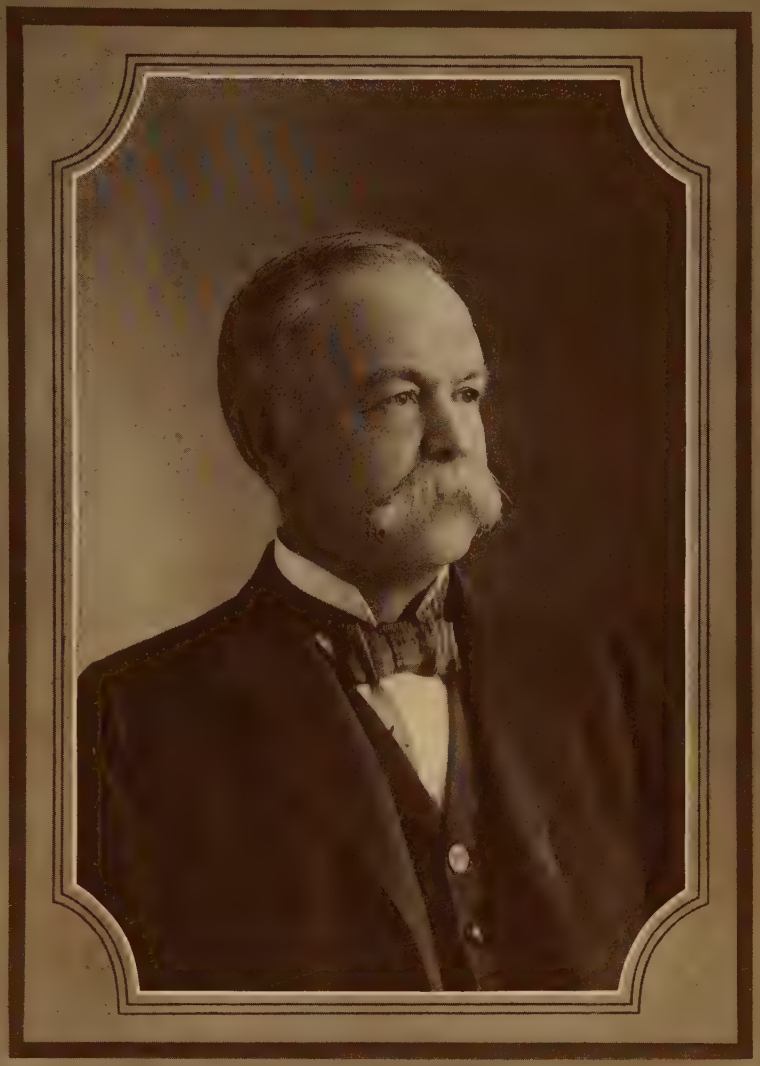
[1] James T. Thurston was born in Cambridge, Vt., February 19, 1818. At twenty he became a clerk with the Vermont Mutual Fire Insurance Company, and four years later treasurer and in 1874 president of that company. He was also a director of the First National Bank.

and, making use of Elizur Wright's Savings Bank Insurance rates and values, constructed a contract which was known as the Installment Bond. The slender margins and large values were criticized at the time, but the Company's ultimate experience with this form of insurance was favorable. It proved a good selling contract, and no doubt contributed in no small degree to the Company's later growth.

Elizur Wright said of this policy:

I congratulate the public that your Company—and I do not know a sounder one—now offers a LIFE INSURANCE BOND to which no prudent man who needs insurance can object. It meets every contingency, combines endowment with insurance, and does not contain any possible trap. It is good for its face at maturity or previous death, and for a precisely stipulated sum after two years, payable at the end of any year previous to its maturity. This stipulation of a definite, fair, and equitable cash surrender value is what Life Insurance has generally lacked, and the want of it has disgusted the public with the business, even as conducted by the most solvent and economical companies.

That a Company which has for twenty-nine years maintained the highest character for economy, conservatism, prudence, and integrity, and weathered every storm without a leak, should offer such a bond, is pretty good proof of its safety. It will certainly be preferred to any other form of Life Insurance by any one who knows the fact that at the age of thirty he has a greater chance of living to be sixty, than of dying earlier, at forty a greater chance of living to be sixty-five, than of dying earlier, and at fifty more than an even chance of living to be seventy. How much better then to have a bond payable to oneself at an age when he is more likely to be dependent than to have others dependent on him, and on which payment may cease at any time without loss, than to have a policy on which nothing can be received till death, or at the arbitrary discretion or want of discretion of the Company. Providing in the contract only for the contingency of death, and leaving wholly unprovided for an equally important contingency, that of living beyond the insurable interest, has proved a sad trap to thousands; and the National Life Insurance Company of Montpelier, Vermont, in issuing this admirable



JAMES C. HOUGHTON

PRESIDENT, 1901–1902

bond, which is wholly free from any such trap, has taken the grandest step in fair dealing within the history of life insurance.

The bond, becoming after two years a really negotiable security, will be of great use to one who wishes to own instead of renting a house, for it will facilitate procuring a long loan by which that object can be effected; and it will never be a piece of property of indeterminate value while the Company remains solvent, as is the case with nearly all Life Insurance Policies heretofore issued.

Chapter V—1880–1889

Ten Years' Growth

	December 31, 1869	December 31, 1879
Income	$232 895 05	$355 774 85
Interest and Rents	67 385 98	117 014 86
Paid Policyholders	85 189 84	193 353 47
Insurance	4 776 740 86	8 306 052 00
Number of Policies	2 673	4 032
Net Assets	857 368 74	2 157 419 68

The first half of the decade marked steady, slow growth each year, but after the beginning of 1876, while the assets increased from $1,769,164.48 to $2,157,419.68, the outstanding insurance fell off about $1,332,000. All companies experienced a pronounced shrinkage during the same period of seriously disturbed business and insurance conditions. But a reaction had already begun. The National increased its business slightly in 1879, and from that time each year showed progress.

At the meeting of the Directors held January 5, 1880, a resolution was passed expressing appreciation of the energy and devotion with which President Charles Dewey had managed the affairs of the Company and tendering him a vacation of two months at such time during the year as he might elect.

Another resolution was voted at the same time, extending the thanks of the Company to James T. Phelps for his faithful and efficient service, his agency during the preceding year having produced nearly one-third of the Company's total business.

The upward trend in business continued during the next two years. The insurance in force was increased $400,000 in 1880 and $800,000 in 1881.

At the quarterly meeting of the Directors in April, 1882, it was voted to enlarge the home office quarters by the rental of the whole upper floor of the building, only one-half of which had previously been occupied by the Company.

The gain in insurance in 1882 was over a million, in 1883 about a million and a half, and in 1884 nearly two millions.

Prior to 1885 Secretary Reed had also discharged the duties of Treasurer. Division of labor then becoming necessary, the office of Treasurer was created and James C. Houghton was elected to the position. Mr. Houghton, who had been a Director of the Company for thirteen years, was a graduate of Amherst College and had had a long business and banking experience. He very efficiently developed the department along lines calculated to meet the demands of the increasing volume of business.

At the same time Osman D. Clark was chosen Assistant Secretary to fill the vacancy caused by the retirement of John B. Thurston on account of ill health. Mr. Clark was born in Montpelier, November 26, 1855, graduated from Amherst College in 1876, was admitted to the Vermont bar in 1879, practiced in Montpelier and was trial justice from 1879 to 1884. He has since been continuously in the service of the Company.

George P. Dewey, son of President Dewey, who had been for some time a clerk in the home office, in 1885 was appointed General Agent for the Company at Portland, Maine, which position he still holds.

The National had been represented in Pennsylvania for several years, but the Company's business in that State had never been effectively organized. In 1886 O'Neil & Lyne contracted for the Pittsburgh territory, and Read & Caveny were appointed general agents at Philadelphia. Both agencies were ably managed and contributed materially to the Company's growth.

By legislative act approved November 12, 1886, the charter of

PRESIDENT, 1902–1915

the Company was so amended as to provide for the election of its Directors in four classes, each to serve four years, and the term of service of one class to expire each year.

The Company's expansion was more rapid during 1886 and 1887 than at any previous time, about $8,400,000 being added to the outstanding insurance in the two years.

In August, 1887, occurred the death of Doctor Sumner Putnam,[1] Medical Director, after a faithful service of nearly eleven years. Doctor Putnam's association with the National did not seriously interfere with his practice. He usually called at the office daily and gave advice in regard to the medical aspects of such cases as were brought to his notice. He also made local examinations as required. The Department of Selection at the time was really in charge of Vice-President Edward Dewey, who, under his father's supervision, had had a long training in that branch of the work.

The following January Doctor Arthur B. Bisbee was elected to the position. He was born in Waitsfield, Vermont, March 22, 1858, and graduated from the Medical Department of Columbia University in 1882.

On its thirty-eighth birthday the Company's home office force consisted of its official staff: President, Vice-President, Secretary, Treasurer, Assistant Secretary, and Medical Director; and three clerks. It occupied a part of the second floor of the Vermont Mutual Fire Insurance Company building; a large room and vault on the west side, a smaller room on the east side, and a connecting hallway. The President's office was in the east side room in which also was the Secre-

[1] Sumner Putnam was born in East Montpelier, February 21, 1818; received his degree from the Woodstock Medical College in 1840, soon after located in Greensboro, Vt., and for many years had an extensive country practice. He was a member of the Legislature in 1856, moved to Montpelier in 1865 and continued in general and consultation practice as long as he lived. He became president of the Vermont Medical Society in 1870 and served as its treasurer for some ten years. Doctor Putnam was of the best type of the old-time family physician, studious, well-equipped professionally, strong, resourceful, kindly, and of spotless character.

JAMES T. PHELPS

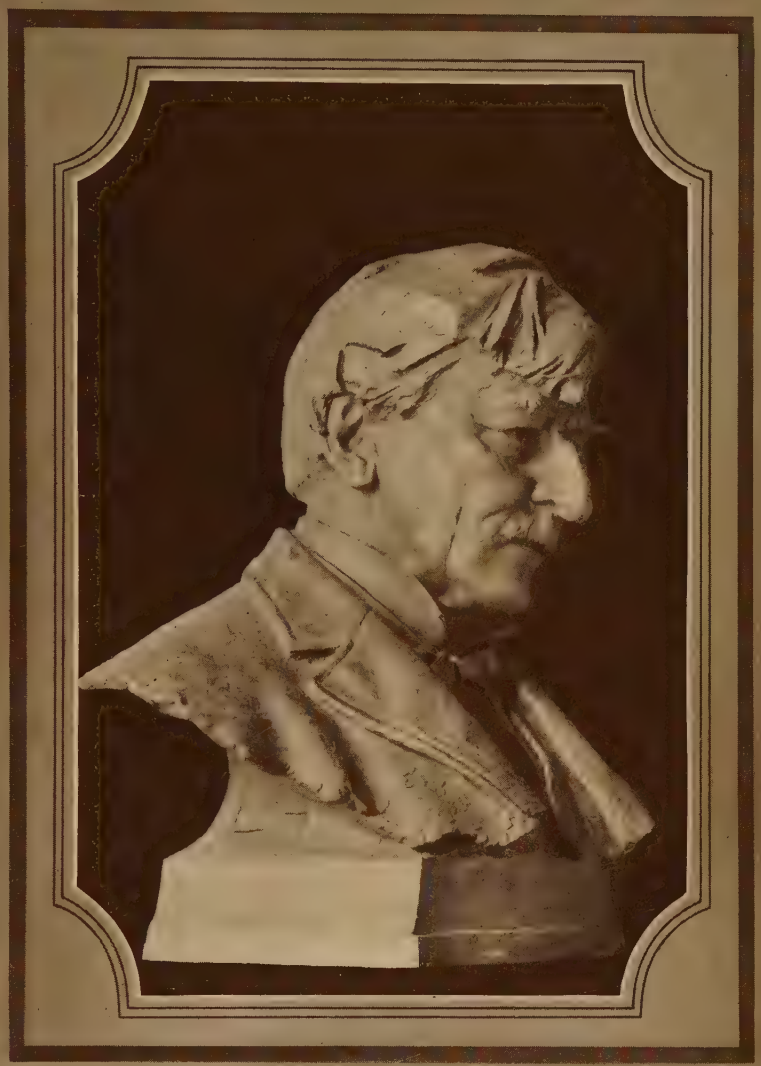
VICE PRESIDENT, 1902–1908

tary's desk. Mr. Reed had practically retired from active service at the time, but he came to the office every day and signed policies. The duties of the department were performed by Assistant Secretary Clark, whose desk was in the hallway. The other departments were located in the west side room. Of the three clerks, William H. Cochran was auditor, William A. Briggs, policy writer and Thomas Dewey, utility clerk.

The Company was then licensed in sixteen States. About ninety per cent of its previous year's business came from the following agencies:

O'Neil & Lyne		Pittsburgh
Read & Caveny		Philadelphia
James T. Phelps		Boston
C. F. Langford		New York City
Olmsted Brothers		Cleveland
P. D. Blodgett	Vermont Agencies:	St. Johnsbury
F. H. Puffer		Montpelier
R. W. Hulburd		Hyde Park
E. S. Leonard		Bellows Falls
Stearns & Jones		Bradford
T. S. Peck		Burlington
S. A. Mattison		San Francisco
J. N. Hills		Chicago
M. L. Roeder		Omaha

In 1888 the participating Life and Endowment policy forms were revised and non-forfeiture values after three years were endorsed, based upon the full Actuaries' four per cent Reserve. The automatic value was paid-up insurance with the option of a cash surrender value or extended insurance on surrender within sixty days after lapse. By resolution the Directors granted to old policyholders the liberalizations contained in the new forms. In 1888, also, deferred dividend policies were first issued, the distribution period being ten, fifteen, or twenty years as designated in the application.



HIRAM A. HUSE

COUNSEL, 1899–1902

From a Bust by Lopez in the Vermont State Library

Contracts were made in 1888 with two experienced and efficient general agents, G. M. Stolp of California and S. F. Angus of Michigan. Mr. Stolp continued in the Company's service during the remainder of his life. Mr. Angus after a few years' effective work resigned his connection with the National to accept the presidency of another company.

On March 27, 1888, occurred the death of Judge Timothy P. Redfield,[1] who from the inception of the Company in 1848 had been its staunch friend and an active worker in its behalf. He was one of its founders, one of the men who shaped the character of the young institution, a Director for nearly forty years, and Vice-President from 1852 to 1871. The records of the Company give evidence that he was a regular attendant at the meetings of the Directors and that his advice and coöperation were always available. He was one of Doctor Dewey's strongest and most loyal supporters during all the years of their close association.

Later in the same year, December 24, death removed another useful and worthy member of the Board, Charles T. Sabin,[2] who had

[1] Timothy P. Redfield was born in Coventry, Vt., November 3, 1812; graduated from Dartmouth College with high honors in 1836, admitted to the bar two years later, and practiced in Irasburg ten years, when he removed to Montpelier. He was member of Legislature 1839, County Senator 1848, and postmaster in Montpelier under President Buchanan's administration. In politics he was a life-long Democrat, his party's candidate for Governor in 1864, and for United States Senator in 1884. Such was the confidence of the people of the State in his honesty and sound judgment, and his fitness for the position was so generally recognized that in 1870 a Legislature of two hundred and thirty-seven Republicans and twenty-eight Democrats elected him Judge of the Supreme Court, and he continued to serve until 1884, when he declined reelection. He was accounted one of the ablest jurists of his time in the state, and was a cultured, dignified gentleman of the highest character. One of Vermont's leading lawyers said of him, "Judge Redfield is a model in all that constitutes a conscientious Christian gentleman, and an able, upright, and impartial judge." He received the degree of LL.D. from Middlebury College in 1877 and from his Alma Mater in 1881.

[2] Charles T. Sabin was born in Montpelier, April 11, 1832. In 1850 he entered the employ of the Putnam Machine Company, Fitchburg, Mass. Eight years later he took a position with the Kimball Carriage Company of New Haven, Conn. In 1861 was mining superintendent in Colorado. He returned to Montpelier in 1867, and founded the Sabin Slate Quarry Company and the Sabin Machine Company. Was director of Vermont Mutual Fire Insurance Company and its vice-president for two years. He was member of the Legislature 1876.

been a Director for nine years and had given the Company efficient service.

Wheelock G. Veazey of Rutland, Supreme Court judge, and George Briggs of Brandon, lawyer, were elected Directors to fill the vacancies caused by the deaths of Judge Redfield and Mr. Sabin.

At the quarterly meeting of the Directors in October, 1889, it was voted to change the upper insurance age limit from sixty to sixty-five years.

At the same meeting Joseph A. DeBoer was elected Actuary of the Company. Mr. DeBoer was a graduate of Dartmouth College and for four years had had charge of the Montpelier schools. It was generally recognized at the time that he was a man of unusual ability, and some of the Directors who knew him well had confidence that he would make a competent and satisfactory Actuary for the Company, but as he had no knowledge of life insurance or of actuarial science, his election was regarded as more or less experimental both by himself and by the Directors. Events soon proved, however, that it was a highly fortunate experiment for the Company. His contributions to its well-being became so numerous and so important, and his grasp of insurance problems so firm and comprehensive, that in a comparatively few years he was the most potent factor in its affairs.

Chapter VI—1890–1899

The following table exhibits the Company's growth during the decade ending December 31, 1889:

	1879	1889
Income	$355 764 85	$1 781 674 35
Interest and Rents	117 014 86	286 605 82
Paid policyholders	193 353 47	639 165 51
Surplus	645 999 74	921 820 45
Insurance	8 306 052 00	38 767 541 00
Number of policies	4 032	18 824
Net assets	2 157 419 68	5 586 234 23

The growth experienced during the ten-year period from 1880 to 1890 was substantial. The insurance in force was more than quadrupled. The assets increased from a little over two millions to more than five and a half millions, and the surplus from $645,999.74 to $921,820.45. The Company's financial strength and the favorable forms of insurance it offered had more and more attracted agents of experience and capacity, and as a result there was a more rapid gain in the volume of new business.

At the annual meeting of the Directors held January 6, 1890, Harry M. Cutler, who had been a clerk in the office of the Company since April 1, 1889, was elected Assistant Treasurer. Mr. Cutler was born in Montpelier December 15, 1867. From 1884 to 1889 he was connected with the First National Bank of Montpelier, becoming Teller in 1886 and Assistant Cashier in 1888.

From time to time the Directors had informally considered the urgent need of a new office building for the Company's use. At the January meeting definite action was taken by the appointment of a committee consisting of the President, Vice-President, Treasurer, and

Directors P. P. Pitkin and F. E. Smith, to obtain plans and estimates. This Committee reported at the April quarterly meeting, submitting plans and specifications from architect S. E. Tobey of Boston, which plans were accepted at a special meeting held May 13, and the Committee were authorized to make contracts and proceed with the work of construction. The building was ready for occupancy in November, 1891.

At the April meeting in 1890 it was voted to discontinue the practice of charging women between the ages of eighteen and forty-five an extra premium. Since that time all classes of women deemed eligible by the Company have been accepted on the same terms as men. The elimination of the extra rate was made retroactive four years later.

In October a vote was taken to adopt the contribution plan of surplus distribution as of January 1, 1892.

At the same meeting announcement was made of the death of Frederick Billings, one of the Company's most distinguished Directors.[1]

The following January Levi K. Fuller of Brattleboro, Vice-President of the Estey Organ Company, was made a member of the Board.

At about this time the Company's field force was strengthened by the appointment of several General Agents, some of whom have since ranked among its strongest writers and managers, and by their loyalty to a true underwriting service have contributed materially to its growth and progress.

[1] Frederick Billings was born in Royalton, Vt., September 27, 1823; graduated from the University of Vermont in 1844; was admitted to the bar four years later and practiced for thirteen years in San Francisco as a member of the firm of Halleck, Peachy & Billings. He not only attained great eminence in his profession, but ranked equally high as a man of large business affairs; was long a director and for two years president of the Northern Pacific Railroad Company. In 1870 he developed an elaborate estate at Woodstock, which was thereafter his home, although he retained his important business connections in New York and in the West. He interested himself in Vermont affairs, was president of the Woodstock Railroad, the Woodstock National Bank, and trustee of the State University. His benefactions to his native state were numerous, the most important being the gift of the George P. Marsh Library and the Billings Library Building to the University of Vermont.

1889 W. H. Murphy of Minnesota
1891 M. H. Goodrich of Maryland
J. B. Estee of Wisconsin
1893 D. G. Drake of Illinois
Cassiday & Lane of Kentucky
George D. Alder of Utah
1894 John F. Makley of New York
H. E. Taylor & Son of Vermont
S. S. Ballard of Vermont
1895 James A. Wellman of New Hampshire
W. W. Sprague of Vermont
1896 Charles W. Gammons and J. Howard Edwards, long associated with the Boston agency, became members of the firm of James T. Phelps & Company
1897 Earle S. Kinsley of Vermont
1898 T. C. Thompson of Tennessee
1899 A. D. Walker of Washington
Burnet & Saulsbury of Delaware

In July, 1891, occurred the deaths of two of the most highly esteemed members of the Company's Board of Directors, Ex-Governor Paul Dillingham[1] and General Perley P. Pitkin.[2]

[1] Paul Dillingham was born in Shutesbury, Mass., August 10, 1799. His parents when he was six years old moved to Waterbury, Vt., which was his home ever afterwards. He was educated in the public schools and at the Washington County Grammar School in Montpelier. He was admitted to the bar in 1823, represented Waterbury in the Legislature five times, was County Senator three years, Member of Congress four years, Lieutenant-Governor from 1862 to 1864, and Governor in 1865 and 1866. While he was a successful public official and won the esteem and confidence of the people of the state to a most unusual degree, his greatest fame came from his remarkable gifts as a lawyer. As a jury advocate he held the very highest rank. He was one of Vermont's most respected citizens.

[2] General Perley P. Pitkin was born in Marshfield, Vt., March 9, 1826. When about twenty-five years of age he went to California, where he was engaged in mining and trading for some five years. Returning to Vermont he was at the outbreak of the Civil War commissioned Quartermaster of the Second Vermont Regiment. Soon afterwards he was promoted to the rank of Captain and later to Colonel and Chief Depot-Quartermaster of the Army of the Potomac. At the close of the war he was made Quartermaster-General of Vermont. He engaged in business in Montpelier as a member of the firm of Lane, Pitkin & Brock, manufacturers and foundrymen. General Pitkin distinguished himself in war and as a citizen by his service in many positions of business and official trust.

WILLIAM P. DILLINGHAM

DIRECTOR, 1892–1923

National Life Insurance Company

With his friend Doctor Dewey and his Montpelier associates Governor Dillingham became interested in the National Life Insurance Company in 1848. He lent his efforts and his influence in its behalf from the very beginning, assisted in effecting a preliminary organization, and in working out the infinite details incident to starting a new company. He was a member of the first Board of Directors and served in that capacity for over forty years. He was elected its first Attorney in 1872. Through all the years his devotion to its welfare never faltered.

General Pitkin had been an active and efficient Director for thirteen years and a member of the Committee on Finance for twelve years.

William P. Dillingham, lawyer and afterwards Governor of Vermont and United States Senator, succeeded his father as Director, and George G. Benedict of Burlington, editor, was elected to fill the vacancy occasioned by General Pitkin's death.

Year Ending Dec. 31	Insurance in Force	New Business Issued	Total Receipts	Total Disbursements	Net Assets
1892	$58 678 353	$15 477 172	$2 497 780	$1 557 416	$8 043 906
1893	61 632 613	12 519 496	2 791 502	1 703 316	9 132 092
1894	64 975 950	14 769 916	2 931 322	1 857 779	10 205 635

During the panic of 1893 insurance conditions were seriously disturbed. There was a falling off in new issues of nearly three millions as compared with the preceding year and the cancellations increased to an abnormal degree. But there was a gain in insurance in force, in income, and in net assets. In 1894 the new business written approached more nearly to the normal, but the cancellations were still heavy. The new issues during the two years amounted to $27,289,000 and the cancellations to $20, 990,000. The amount paid for surrendered policies during this time was $887,591.

CHARLES W. GAMMONS

CHARLES P. SMITH

GEORGE H. OLMSTED

WILLIAM W. STICKNEY

DIRECTORS

Another veteran Director, W. H. H. Bingham, who had been an active and useful member of the Board for thirty-three years and had served on the Committee on Finance for ten years, was removed by death October 12, 1894.[1] He was succeeded as Director by Doctor W. Seward Webb of Vermont and New York.

In the nineties several important changes were made in the forms of insurance written by the Company, as well as in policy construction.

In 1892 the Ten Year Renewable Term policy was first written with cash values (seventy-five per cent of the reserve and surplus) or extended or paid-up insurance guaranteed on the basis of the accumulations if applied for within three months after lapse and renewable after age fifty-five for the rest of life at participating Life rates for age attained.

In the same year new forms of policy were promulgated with a surrender charge against the cash values for years three, four, and five, with the full reserves payable thereafter.

In 1892, also, return premium policy forms were adopted.

In 1893 was introduced the installment settlement feature of Insurance Rights, which provided for the payment of death benefits in from one to twenty-five installments sure computed upon the basis of a compound interest increment of three per cent.

The first Life Annuity contracts were written in 1895.

Another step was taken in the liberalization of Life and Endowment policies in 1896. The revised forms then adopted provided for a copy of the application in the contract of which it forms a part. Im-

[1] W. H. H. Bingham was born in Fletcher, Vt., April 15, 1813. He was admitted to the bar and practiced many years in Stowe. He was State's Attorney four years, represented Stowe in the Legislature in 1853, was Pension Agent for Eastern Vermont for four years, a member of the Council of Censors in 1862, director of the State Prison and House of Correction, director and for some years president of the Vermont Mutual Fire Insurance Company, director of the Central Vermont and the Wells River railroads, and of the Waterbury National Bank. All of these positions of trust he filled with rare fidelity and ability of a high order. He was a popular leader of the Democratic party and was often its candidate for Governor and Congressman.

J. GRAY ESTEY

FRANK C. PARTRIDGE

ELBERT S. BRIGHAM

JOHN M. THOMAS

HENRY R. PLATT

DIRECTORS

mediate payment of the insurance upon receipt and acceptance of proofs of death of the insured was also provided for. There was provision for loans up to the limit secured by the cash value at any time after three years while the policy was in full force. Extended insurance was made the automatic non-forfeiture feature with cash or paid-up insurance available within three months. All restrictions on residence and travel were eliminated, as were also all restrictions on occupation after two years from date of policy. The policy was incontestable after two years from date of its issue provided the required premiums were duly paid.

Policyholders were notified by letter that the liberalizations contained in the new forms were by action of the Directors granted to outstanding policies so far as possible without conflict with legal and contract limitations.

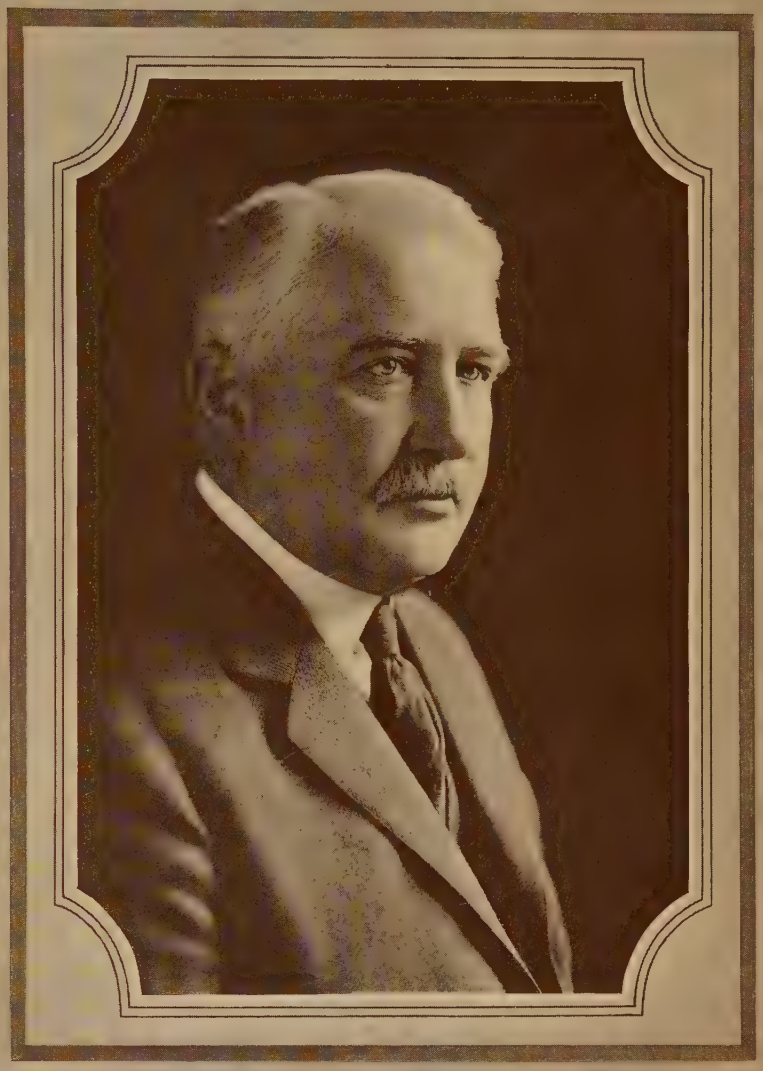
In 1899 Installment Benefit forms were adopted, granting installment settlements at the option of the insured on any approved form.

At the quarterly meeting in October, 1896, President Dewey announced the death of Director Levi K. Fuller, whose service while not of long duration was characterized by assiduous attention to the Company's affairs and a high sense of trusteeship responsibility.[1]

At the annual meeting in January, 1897, Actuary Joseph A. DeBoer was elected Director to succeed Mr. Fuller.

At the same meeting Vice-President Edward Dewey and Secretary George W. Reed having retired after long terms of faithful service, James C. Houghton was elected Vice-President; Joseph A. DeBoer, Secretary and Actuary; Harry M. Cutler, Treasurer; and Clarence E. Moulton, Assistant Treasurer.

[1] Levi K. Fuller was born in Westmoreland, N. H., February 24, 1841. When nineteen years of age he entered the employ of the Estey Organ Company of Brattleboro as machinist and mechanical engineer. He was thereafter continuously associated with that company and for the last twenty years of his life its vice-president. He was County Senator in 1880, Lieutenant-Governor in 1886, and Governor of the State in 1892. He was a sound business man, a high-minded public official, and a generous and public-spirited citizen.



FRED A. HOWLAND

PRESIDENT

Mr. Moulton was born in Randolph, Vermont, September 29, 1863, graduated from Dartmouth College in 1889 and had been a clerk in the home office since 1891.

In January, 1898, the Directors voted the adoption and application of three per cent interest assumption in the calculation of rates and reserves, the same to be applied to new business issued on and subsequent to January 1, 1900.

At the same time James B. Estee, the Company's General Agent for Wisconsin, was elected Superintendent of Agencies. Mr. Estee was born in Milton, Wisconsin, February 8, 1856, graduated from State Normal University, Bloomington, Illinois, in 1875, began insurance work in 1882, was made Superintendent of Agencies of Iowa Life Insurance Company in 1888, and became Wisconsin General Agent for the National in 1891.

At the quarterly meeting in April, 1898, the death was announced of Wheelock G. Veazey, one of the Company's strongest and most valued Directors.[1]

In 1898 once more the war hazard had to be considered. The Company's outstanding policies two years old or more were by their terms absolutely non-voidable for any occupation or residence whatsoever. Outstanding policies that were less than two years old required their holders before engaging in military or naval service in time of war to obtain the Company's written consent.

It was decided to grant free permits to those policyholders whose contracts were less than two years old, giving the Company's consent

[1] Wheelock G. Veazey was born in Brentwood, N. H., December 5, 1835. He was graduated from Dartmouth College in 1859, and from the Albany Law School in 1860. At the outbreak of the Civil War he was commissioned Captain of Company A, Third Vermont Regiment, successively advanced in rank to Major, Lieutenant-Colonel, and Colonel, and was awarded a medal of honor by Congress for distinguished gallantry at Gettysburg. He located in Rutland in 1864, was Supreme Court reporter 1864 to 1873, Judge of the Supreme Court 1879 to 1889, Interstate Commerce Commissioner 1889 to 1896, Trustee of Dartmouth College 1869 to 1891, and Commander in Chief of the Grand Army of the Republic 1890.

to engage in such service without limitation and without extra charge. At the same time it was decided not to write new insurance when there was intended military or naval service.

No unusual mortality was experienced during the year, and, notwithstanding the adverse influence on business of war conditions, all the accounts of the Company were materially strengthened.

George W. Reed, for forty-five years Secretary of the Company and a Director since 1864, died July 4, 1898. Mr. Reed was born in Thetford, Vermont, in 1817. His parents moved with him to Montpelier in 1828. In 1836 he was graduated from the University of Vermont, took up the profession of teaching in Montpelier and later, under the administration of President Pierce, was appointed postmaster there. In 1849 he visited California. From 1852 to 1897 he was Secretary of the National and Director of the Company, 1864-98. From 1858 to 1898 he was Treasurer of Washington County, Vermont.

At their meeting July 5, 1898, the Directors recorded the following tribute of respect:

Mr. Reed was a good man, beloved by all who knew him, followed with gratitude by many who enjoyed his silent kindness, and a true type of the old-time character in the country town which for over seventy-one years had been his home.

He was a quiet, educated, cultured gentleman, who loved streams and woods. He was a man of the home, a maker of his own garden, and looked at nature. When he left college, he was a teacher; when he left school, he was a pioneer; when he left the West Coast, he was among the first in the art and science of insuring life.

He was not great, but good; not fast, but sure; not brilliant, but solid. He was a good citizen, a painstaking officer, an honest trustee, and a true friend. Such he was in his whole life and so we shall always think of him now he is dead.

We order this brief statement of our estimate to be placed in the record

which he kept for almost half a century. We place his name by the side of others, Doctor Dewey, Governor Dillingham the elder, General Pitkin, Judge Veazey, Judge Redfield, Thurston, Bingham, and the rest, with whom he worked for the birth and growth of the Company, whose silent ranks he now forever joins.

Our judgment of his life finds voice in the wish that there were more such men, and of his mind and heart that there were more such neighbors. His long life was pure, quiet, and useful. It had in it what lives too often lack, the power of self-living in the sense of living one's own life in peace and content, free from disturbances of outside conditions. He was himself and not another.

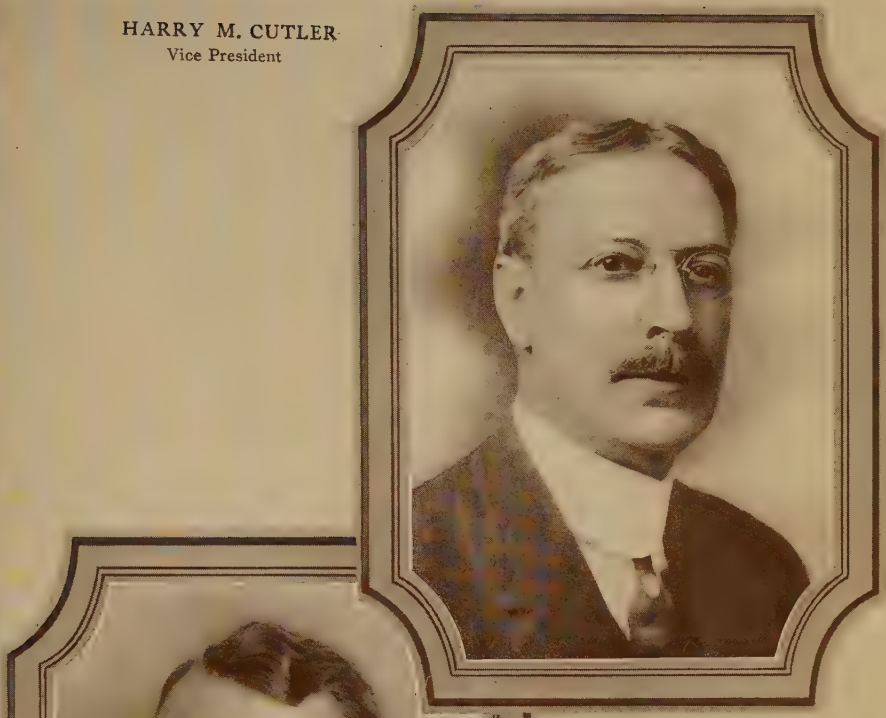
While we regard his death with grief, we also look upon the end of his life as the closing of a noble account, in which the balance is on the side of the student, the teacher, the pioneer, the officer, the trustee, and the man.

There is no evidence that during his long service with the National Mr. Reed was ever a personal salesman of insurance and apparently he did not take an active part in shaping its underwriting or investment policies. From the beginning he was the Company's office manager. His duties as such were discharged with intelligent care.

January 17, 1899, John G. McCullough of Bennington, lawyer and railroad financier, and Treasurer Harry M. Cutler, were elected to fill the two vacancies in the Directorate. At the same meeting Dillingham & Huse were elected Counsel of the Company, and Frank A. Dwinell was made Inspector of Real Estate and Real Estate Loans.

Mr. Dwinell was born in Calais, Vermont, May 23, 1848, for several years was a general merchant in Calais and Plainfield, and afterwards President of the Farmers' Trust Company. He removed to Montpelier in 1890, and became Director of the First National Bank.

In April, 1899, Mr. DeBoer having resigned as Secretary, Osman D. Clark was promoted to that office.



HARRY M. CUTLER
Vice President

EDWARD D. FIELD
2d Vice President

VICE PRESIDENTS

Chapter VII—1900–1909

At the meeting of the Directors in January, 1900, Mr. DeBoer was elected Second Vice-President as well as Actuary.

At the same meeting the Company's progress during the first half-century of its existence was reviewed. This progress is graphically defined in the following tables:

Table I

INSURANCE HISTORY — WRITTEN BASIS

	Issues		Cancellations	
Life	68 896 Policies	$160 629 797	39 908 Policies	$97 516 205
Endowment	36 834 "	58 891 533	22 345 "	33 806 751
Term	2 629 "	5 792 423	1 990 "	4 100 771
			In force 44 116 "	89 890 026
	108 359 "	$225 313 753	108 359 "	$225 313 753

Table II

December 31	Year's Issue	Insurance in Force	December 31	Year's Issue	Insurance in Force
1854	$220 150	$992 150	1879	$1 022 767	$8 306 052
1859	376 700	1 717 217	1884	3 683 605	14 106 761
1864	727 600	2 763 976	1889	12 743 988	38 767 541
1869	768 887	4 776 741	1894	14 769 916	64 975 950
1874	1 802 177	9 637 698	1899	17 917 591	89 890 026

Of the volume issued 39.9% remained in force.

Of the volume issued 71.3% was Life, 26.1% Endowment, and 2.6% Term.

Of the volume in force 70.2% was Life, 27.9% Endowment, and 1.9% Term.

Of the volume issued 1.5% was written during the first ten years, 4.13% during the first twenty, 10.87% during the first thirty, 35.11% during the first forty.

During the last decade the issue was 64.9% of the total volume written in the entire fifty years.

During 1899, the last year of the period, the issued and revived insurance fell but a little short of the total issue during the first twenty-five years of the Company's history.

The Company's observance of the completion of its first half century of activity took the form of a meeting at the home office of its Field Representatives, Directors, and Official Staff. President Dewey in his invitation to the Company's agents said:

We think the event can be nowhere better observed than here in the heart of the Green Hills, and by none be more appropriately attended than by those whose active work in the field is so largely responsible for the size and strength of the Company which time has wrought. We wish to come together for social as well as for business reasons, and to make this meeting memorable by mutual consideration of the days that are gone and of the full years that lie before.

As an inducement to insure a large representation and to finish the first fifty years strong, the Company offered to entertain as its guests those agents who during the year produced one hundred thousand dollars of paid-for insurance.

About one hundred agents, many of them with their wives, medical referees, representatives of the insurance press, invited guests, directors, officers, and home office force participated in this celebration which was held July 11, 12, and 13, 1900. The anniversary address was delivered by Ex-Governor William P. Dillingham. The social festivities were highly enjoyable, and the business conferences mutually helpful to all departments of the Company. At this time the Agents' Association of the National Life Insurance Company was formed with George H. Olmsted of Ohio as President; Fred Pleasants of Virginia, Vice-President; and James A. Wellman of New Hampshire, Secretary.

At the conclusion of the meetings the agents present adopted the following resolutions:

We, the agents of the National Life Insurance Company, fully recognize that mere words cannot express our appreciation of the cordial invitation, generous welcome and magnificent entertainment extended to us by the executive officers. At the same time we desire to place on record and in permanent form our deepest sentiments, therefore it is

Resolved, That in taking this step the officers of the Company have not only acted generously but wisely, and that our best feelings are touched by the substantial recognition of our labors.

That our welcome and entertainment have been typical of all the traditions of the grand old Green Mountain State, and that we return to our homes with renewed zeal in our profession, with a renewed faith in our Company and its management, determined to show our full appreciation by our work.

Only once in its entire history has the National been examined by a state insurance department other than that of Vermont. In 1900 the Insurance Commissioner of Minnesota ordered a complete examination by the Consulting Actuary of his Department, Mr. S. H. Wolfe. No reasons were given for the examination. So far as was known there were no dissatisfied policyholders in Minnesota.

The day following the Commissioner's departure from Minnesota for Vermont the following paragraph appeared in the *St. Paul Pioneer Press:*

Commissioner O'Shaughnessy has gone to New York to attend the winding-up of the affairs of the National Montpelier Insurance Company.

When this item was brought to his notice the Commissioner sent a telegram to the paper referred to as follows:

The statement in the last column on the fourth page of your June 22

SEMI-CENTENNIAL CONVENTION, 1900
BLUFF POINT, NEW YORK

issue is absolutely incorrect and does the National Life Insurance Company of Montpelier, Vermont, great injustice and damage. I am not winding up its affairs as the paragraph states. The company's certificate of authority to transact business in Minnesota has not been revoked. The Minnesota statutes authorize me to examine foreign companies whenever I deem it prudent, and I am now exercising that prerogative. All companies operating in Minnesota are subject to the same investigation. Please give this as great prominence and publicity as possible.

Every phase of the Company's work was critically reviewed, its underwriting and investment practices were closely scrutinized, and all assets having a book value of $2,000 or over were independently appraised. The investigation extended over a period of several months, at the end of which time the following conclusions were reached:

The Company as far as I am able to determine is economically and efficiently managed. The interests of the policyholders are in my opinion well taken care of except in those details of the investments which I have pointed out.

The investments above referred to were two. The first was a loan on the stock of a private corporation which the ultimate experience of the Company proved to be both safe and profitable. The second was a mortgage and stock to insure control in a public utility corporation. The nature of this investment was criticized and the Company's appraisal was cut down some $76,000. Four years later this property was disposed of at cash sale, the terms of which fully justified the Company's valuation. The amount received exceeded such valuation plus all additional expenditures from the time of the Minnesota appraisal to the date of sale.

Edward Dewey, Assistant Secretary and Actuary of the Company 1865-1877, Vice-President 1877-1897, and Director since 1867, died October 26, 1900.

OSMAN D. CLARK
Secretary

HERBERT R. PIERCE
Assistant Secretary

GEORGE K. PUTNAM
Assistant Secretary

SECRETARIAL DEPARTMENT

Mr. Dewey, the second son of Doctor Julius Y. Dewey, was born in Montpelier, March 27, 1829. After graduation from the Washington County Grammar School he became clerk in a general store in Montpelier, and later in Richmond, Canada. In 1851 he went into business for himself near Danville, Canada, and was afterwards in trade in Montpelier until 1860, when he became assistant secretary of the Vermont Mutual Fire Insurance Company. In January, 1864, he entered the United States Service as Quartermaster of the Eighth Vermont Regiment. February 11, 1865, he was promoted to Captain and Assistant Quartermaster in the Staff Department of the United States Volunteers and was mustered out May 29, 1865.

When he became associated with the National under his father's presidency, his attention was largely given to the underwriting department, and after he was made Vice-President in 1877, he had charge of the same branch of the service. As manager of this important department for so many years he contributed in large measure to the growth and prosperity of the Company. He was a member of the first Committee on Selection and continued in that capacity until his retirement. Probity, whole-hearted devotion to duty, and disinterested regard for the Company's well-being characterized his long official service.

In January, 1901, President Charles Dewey declined reëlection in the following words:

My service as an executive officer of the Company has exceeded by a few days thirty years. I have given to the service the best years of my life, and am sure that friends will concede that I have always been heartily devoted to the welfare of the Company and its best interests, that I have always been honest, faithful, and as intelligent as I knew. I have long hoped to die in the harness, but now at the age of nearly seventy-five years, I am constrained by age and impairment of health to decline a reëlection to the presidency.

CLARENCE E. MOULTON
Actuary

HENRY H. JACKSON
Associate Actuary

HENRY HOLT
Assistant Actuary

ACTUARIAL DEPARTMENT

The Directors in complying with Mr. Dewey's wishes with reference to reëlection adopted resolutions as follows:

Resolved, That this Board desire to express and to place on record its high appreciation of the value of the service Mr. Dewey has rendered to the Company. The son of the honored founder of the Company, he entered its management fifty years ago, bringing to it experience already acquired in insurance business. During the half-century of his connection with the Company its income has grown in round numbers from $15,000 to nearly $5,000,000; its assets have increased from $9,000 to $20,000,000; its policies from 500 in number to over 49,000; its risks from $500,000 to $99,500,000; its surplus from nothing to over $2,000,000. By far the greater part of this magnificent growth has taken place during the twenty-four years of his administration as president, and has been in large measure due to his fidelity, capacity, and efficiency. He has richly earned the release from the burden of the presidency which he has requested, and we desire in his retirement from that office to express to him our cordial friendship and regard, and to wish for him continued health and many added years of life and usefulness.

Mr. Dewey continued to serve as Director and as member of the Finance Committee.

James C. Houghton was elected President; Joseph A. DeBoer, Vice-President and Actuary; Hiram A. Huse, Counsel; and George Briggs Inspector of Real Estate and Real Estate Loans. James B. Estee was chosen a member of the Board of Directors.

George Briggs, who had been a Director of the Company since 1889, was born in Brandon, Vermont, April 26, 1844, graduated from Hobart College in 1866, admitted to the Vermont bar in 1868 and engaged in the practice of law in Brandon.

A previous vote of the Directors already referred to provided for a change from a four to a three per cent interest assumption in computing rates and policy values, and it was expected that this change would go into effect January 1, 1900. It was later decided to defer

the introduction of the new basis until January 1, 1901, since which time all new policies have been written at rates and have carried values computed in accordance with an interest assumption of three per cent.

President Houghton's health having been for some months impaired, early in the year 1902 a Mediterranean trip was decided upon with the hope that a prolonged rest would bring relief. With Mrs. Houghton and Mr. and Mrs. James T. Phelps he sailed in February, but the best wishes of the Company for a speedy recovery were destined not to be realized. Soon after reaching Naples, Italy, he died suddenly March 4.

James Clay Houghton was born in Petersham, Massachusetts, September 2, 1841. He graduated from Amherst College in 1862, studied law, was deputy clerk of Orange County Court, Cashier of the Orange County National Bank in Chelsea in 1866, Cashier of the First National Bank in Montpelier in 1871, and represented Montpelier in the Legislature in 1886. He rendered important service in other responsible offices and trusts, and his duties as a citizen were fulfilled with constant and unselfish attention.

Mr. Houghton became Director of the National in 1872, Treasurer in 1885, Vice-President in 1897, and President in 1901. For thirty years he was closely identified with the Company, and for seventeen years gave the best of his life and strength to the weighty management of its affairs, a burden borne with marked ability and the highest fidelity. His attractive personality won for him the warm regard of the Company's agents and of his home office associates.

At the quarterly meeting of the Directors held April 8, 1902, Joseph A. DeBoer was elected President; James T. Phelps, Vice-President; James B. Estee, Second Vice-President; and Clarence E. Moulton, Actuary.

At their meeting in October of the same year the Directors were called upon to record the death of another trusted and beloved offi-

cial, Hiram A. Huse, the Company's Counsel.[1] Mr. Huse had been elected Counsel in 1899. During this comparatively short official connection he gave the Company important and conspicuously able service.

Policy revision in 1901 made the Company's contracts incontestable after one year from date of issue except for non-payment of premiums.

During the following year the Investment Insurance Trust Bond was first written in conjunction with a fourth option which admitted a conversion of the endowment reserve into paid-up life insurance for the par of the policy at the net single premium rate, together with a return of the balance in an immediate cash payment to the insured. Original contributions to this policy were made by Mr. Edward O'Neil, the Company's General Manager in Pittsburg.

In January, 1903, Fred A. Howland was elected Counsel. Mr. Howland was born in Franconia, New Hampshire, November 10, 1864, graduated from Dartmouth College in 1887, three years later was admitted to the bar of Vermont and soon became junior member of the law firm of Dillingham, Huse & Howland. He was Secretary of Civil and Military Affairs, 1888-90; Second-Assistant Clerk of the Vermont House of Representatives, 1890-92; First-Assistant Clerk 1892-6 and Clerk 1896-8; State's Attorney 1896-8; Secretary of State and ex-officio Insurance Commissioner 1898-1902.

At the same time William W. Stickney of Ludlow, lawyer and Ex-Governor of Vermont, was chosen Director.

[1] Hiram A. Huse was born in Randolph, Vt., January 17, 1843. He served as a private in the Civil War in Company F, Twelfth Vermont Volunteers, until mustered out July 14, 1863, graduated from Dartmouth College in 1865, and from the Albany Law School in 1867, was teacher in the State Normal School 1871–2, practiced law in Montpelier from 1872 until his death, was editorial writer on the *Green Mountain Freeman* for ten years, State Librarian from 1873 until his death, represented Montpelier in the Legislature in 1878, was State's Attorney 1882–4. He was recognized as a man of great intellectual power and in his profession stood among the foremost in the state. He was also a leading citizen, counselor and leader in local and state affairs, being not only one of the best known but one of the most constructive influences in Vermont. True worth and absolute integrity characterized everything he was and did throughout his whole life.

WILLIAM W. RUSSELL
Treasurer

PAUL DILLINGHAM
Assistant Treasurer

FRANK M. KENDALL
Cashier

TREASURY DEPARTMENT

Important general agency appointments during this decade were:

1901	F. L. McKernan	Kentucky
	M. W. Marshall	Michigan
1902	E. B. Hamlin, who for a number of years had been associated with the Cleveland agency, became a member of the firm of Olmsted Brothers & Company.	
	W. B. Henderson	Kansas City
1903	A. H. Gseller	New Jersey
	George M. Hope & Company	Georgia
1904	H. M. Humphrey	North Carolina
	S. T. Rhodes	Virginia
	M. R. Clanahan	Southern Illinois
1905	J. Henry Johnson	Oklahoma
	J. T. Dunlap	Birmingham, Alabama
1907	C. B. Palmer	Delaware
1908	C. S. Montgomery	Los Angeles
1909	W. M. Grady	Sioux City, Iowa
	F. E. Heller	Montana

Beginning January 1, 1904, the Company initiated the effort, in the issue of the *National Messenger*, of cultivating a closer and more co-operative relationship with its members. The publication was placed in charge of Vice-President James T. Phelps.

Roswell P. Dart, State Agent for Iowa, died May 23, 1904, after twelve years of faithful, loyal, and intelligent service for the National. Born in Brompton, Pennsylvania, January 29, 1844, he became associated with the Company as General Agent in 1892, having been previously for eight years Cashier of the First National Bank at Kankanna, Wisconsin.

He was strong in his technical knowledge of life insurance, had the ability to express what he knew, and he did much to advance the interests of his profession. Rigidly honest, a capable writer and manager, his death was a distinct loss to the Company.

GEORGE B. YOUNG
General Counsel

GUY B. HORTON
Attorney

CLIFTON M. HEATON
Attorney

JOHN M. AVERY
Attorney

LEGAL DEPARTMENT

Meetings of the Agents' Association, organized in 1900, were held as follows:

	President	Vice-Presidents	Secretary	Place of Meeting
1901	Edward O'Neil	Geo. P. Dewey T. C. Thompson	J. A. Wellman	Buffalo
1902	T. C. Thompson	J. S. Poindexter	J. A. Wellman	Pittsburg
1903	J. S. Poindexter	C. W. Gammons E. S. Kinsley	E. B. Hamlin	Montpelier
1904	E. B. Hamlin	J. H. Edwards G. D. Alder	W. B. Henderson	St. Louis
1905	J. A. Wellman	F. A. Stolp F. A. Dickey	H. K. Read	Montpelier

All of these meetings were well attended and helpful both to the members and to the officers of the Company who were present on invitation of the Association. No further meetings were held until 1918.

There were two additions to the home office staff in 1905. Frank M. Bryan was appointed Inspector of Farm Loans in January, and Doctor Edwin A. Colton was made Assistant Medical Director in July.

Mr. Bryan was born in Waterbury Center, Vermont, March 13, 1872, and had been for nine years a clerk in the Treasurer's Department of the Company.

Doctor Colton was born in Montpelier August 15, 1876, graduated from Amherst College in 1899, the Medical Department of Columbia University 1903, and the Gouverneur Hospital, New York, 1905.

February 11, 1905, occurred the death of Dudley C. Denison, a Director of the Company since 1866, and its warm friend and safe adviser since its earliest years.[1]

[1] Dudley Chase Denison was born in Royalton, Vt., Sept. 13, 1819. Graduating from the University of Vermont in 1840 he was admitted to the bar in 1844 and began practice in his native town. He was County Senator, 1853; State's Attorney, 1858–60; representative in the Legislature, 1861–3; United States District Attorney, 1865–9; Member of Congress, 1875–9. He was a prominent lawyer and a highly respected citizen.

Charles Dewey, President of the National from 1877 to 1901, a Director of the Company since its foundation, died at Montpelier, August 31, 1905.

He was born in Montpelier, March 27, 1826, the eldest son of Doctor Julius Y. Dewey, founder of the Company, was educated in the local schools, fitted for college in the Washington County Grammar School, and graduated from the University of Vermont in 1845. In the same year he was appointed assistant secretary of the Vermont Mutual Fire Insurance Company, chartered in 1828. In 1850 he was elected secretary of that company and so continued for twenty-one years, and as a director of the same company for thirty years. In 1871 he left the Vermont Mutual to become Vice-President of the National Life and succeeded to the presidency on the death of his distinguished father in 1877.

The development of the Company during Mr. Dewey's presidency and the important part played by him in connection with such development have already been mentioned. The records of the office attest faithful, punctilious service from first to last.

"In carriage Mr. Dewey was a gentleman of the old school, in conduct always a model of perfect urbanity, in address wholly gracious, to the needs of others strictly kind, in habits perfect, in the discharge of personal obligations prompt and exact, in affection for home and home needs absolutely loyal, in his regard of associates square, and in his constant discharge of all duties, whether of large trust or routine, sincere and true."

The two vacancies in the Board of Directors were filled by the election of James L. Martin, Judge of the United States District Court, and Fletcher D. Proctor, Governor of Vermont and President of the Vermont Marble Company.

In 1905, during the Armstrong investigation in New York, the National was not summoned to appear before the Committee, but

gladly supplied detailed statements and answers to various interrogations as requested.

The nature of the information furnished is concisely stated in President DeBoer's report to the policyholders of January 16, 1906:

When the Company was asked by the New York State Investigating Committee to furnish full and detailed information on all features of its work and history, it was glad to respond, and filed such full and perfect advices on every point as that Committee required. There was no subpoena of any officer, but the information filed and which appears in abstract form in that Committee's report shows that the National Life has had entirely legitimate and very insignificant legal expenses, that it has not contributed to campaign funds, that it has not paid out a cent for legislation, that it has not used syndicate or joint accounts, that its officers have not profited by investments, that it has control and use of funds and proceeds entirely free of all connections with any trust, and that its Finance Committee alone and independently has considered and does so regularly from day to day every transaction, large or small, which in any way pertains to the Company's investments and care. For this reason it was possible to supply the Committee promptly a full and daily transcript of every investment transaction for five years back as requested, some 1500 reports in all, and complete and detailed schedules of all investments brought down to date of filing, showing their date of purchase, from whom bought, the price paid, the present book value, and the present market value. It appeared further from these returns that the National Life makes no collateral loans, owns no stocks, has no industrial or fluctuating securities, and further, from the records of the directors and policyholders for ten years back as supplied to the aforesaid Committee, that the meetings were held on due notice, proceeded conformably to charter and by-law provision, and were free from contests all of that time.

While not in full accord with all the so-called reform laws which in New York followed the Armstrong investigation, the Company adapted its practice to their requirements. The plans of compensating agents were modified, and the writing of deferred-dividend policies was discontinued.

The flood of life insurance legislation in other states soon afterwards

Dr. ARTHUR B. BISBEE
2d Vice President and Medical Director

Dr. EDWIN A. COLTON
Assistant Medical Director

Dr. GEORGE E. ALLEN
Assistant Medical Director

MEDICAL DEPARTMENT

did not affect the operations of the Company with the single exception of a Wisconsin law which was deemed so impracticable and ambiguous that the National and some thirty other companies withdrew from that State.

The death of William H. Murphy of Minneapolis May 26, 1906, removed one of the Company's most loyal General Agents. Born in Cincinnati, Ohio, March 31, 1842, after military service extending over the entire period of the Civil War and during which he was promoted to the rank of Captain, Mr. Murphy chose life insurance as his profession, joined the forces of the National June 7, 1889, became manager for Minnesota and developed a successful organization. He was a man of high character and a vigorous, intelligent, and honorable manager.

In January, 1907, George H. Olmsted, senior member of the firm of Olmsted Brothers & Company of Cleveland, Ohio, the Company's managers for Ohio and Indiana, was chosen Director in place of Dr. W. S. Webb.

Colonel Fred E. Smith, the Company's oldest Director in years of service, died in Montpelier February 24, 1907. Colonel Smith was elected Director of the National in 1865 and at his decease was senior member of its Finance Committee, having served in that capacity for fifteen years. His extended business experience and his familiarity with the history and progress of the Company made him a valuable counselor in its affairs.[1]

Less than two months later, April 8, 1907, occurred the death of

[1] Fred E. Smith was born in Northfield, Vt., June 11, 1836. He engaged successfully in various mercantile pursuits until 1861, when he was appointed Quartermaster of the Sixth Regiment of Vermont, served as Commissary of Subsistence on the staff of General Godfrey Wertzel until December, 1863, returned to Vermont after the war and became actively interested in business and manufacturing enterprises. For many years he was a director and twice president of the Vermont Mutual Fire Insurance Company, also director, vice-president, and president of the First National Bank.

LORIMAN P. BRIGHAM
Superintendent of Agencies

ROBERT P. WITHINGTON
Agency Supervisor

ALANSON B. SHEPARD
Agency Supervisor

PETER O. OSTERHUS
Agency Supervisor

AGENCY DEPARTMENT

another prominent Director, Colonel George G. Benedict,[1] whose term of service dated back to 1892.

Charles P. Smith, President of the Burlington Savings Bank, and Fred A. Howland, the Company's Counsel, were elected Directors at this time.

In a letter to the Company's policyholders dated July 17, 1907, President DeBoer discussed fully the varied problems which had resulted from recent insurance publicity and legislation. He referred to the effect of the new requirements upon investments, upon underwriting practices, and particularly to the burden which such requirements placed upon the agent who was "largely responsible for the great achievements and values to society of American life insurance." He called attention to the popular misconception of an agent's work as limited to the act of selling insurance and took occasion to outline his larger duties and responsibilities.

Shortly afterwards at its annual convention held in Toronto, the National Underwriters' Association voted as follows:

Whereas, The life insurance agents of this country have read with the deepest interest the presentation of the life insurance situation by President Joseph A. DeBoer of the National Life Insurance Company of Vermont, as exemplified by the company, the policyholder, and the agent, in which he so ably, intelligently, and honestly places before the people a truthful analysis of the conditions as they exist and are applicable at the present time to this great business; and

[1] George G. Benedict was born in Burlington, Vt., December 10, 1826, and was graduated from the University of Vermont in 1847. He enlisted as private in Company C, Twelfth Vermont Volunteers, August, 1862, was promoted to lieutenantcy the following year, subsequently detailed as aide-de-camp on the staff of General George J. Stannard, Commander of the Second Vermont Brigade, received medal of honor awarded by Congress for distinguished conduct at Gettysburg July 3, 1863, and was mustered out July 14, 1863. He was President of the Vermont & Boston Telegraph Company 1860–5, editor-in-chief of the *Burlington Free Press* from 1866 until his death, over forty years trustee of the University of Vermont, president of the Vermont Historical Society 1896 until his death, State Senator 1869, postmaster for Burlington four years, Collector of Customs 1889 to 1893, author of *Vermont in the Civil War*, *Vermont at Gettysburg*, and *Army Life in Virginia*. "A distinguished citizen, soldier, legislator, educator, historian, editor, and Christian gentleman."

Whereas, He shows such a full and correct knowledge of the duties and responsibilities imposed upon the life insurance agents in their relations to the company and the policyholder, therefore, be it

Resolved, That the life insurance agents of this country, in convention assembled, hereby express their sincere thanks and gratitude to Joseph A. DeBoer for his exceedingly able and timely address.

We recognize in him an able, conscientious, manly, and fearless defender of the life insurance interests; one who, out of his comprehensive knowledge, has especially placed before the people of this country the life agent's true attitude and worth, and whose words will excite for them the sympathy, respect, and rightful appreciation of the great service, which they render both to the company and the policyholder, where they will continue to be recognized as a permanent factor in the development and perpetuity of the life insurance business.

Resolved, That a copy of the foregoing preamble and resolution be sent to President Joseph A. DeBoer by the secretary of the association, accompanied by a suitable letter of thanks for the timely service which he has rendered the life insurance agents of this country.

In speaking of this action at the time the *Insurance Press* said:

President Joseph A. DeBoer has deserved and received numerous compliments at the hands of his fellowmen, especially his associates in the life insurance business. Yet perhaps the best of all was when the Association of Agents in national convention assembled adopted a resolution thanking him for his discussion of the life insurance situation. Hundreds, yes, thousands and tens of thousands have commented upon the same situation, but Mr. DeBoer is distinguished above all other commentators because he has been thanked by the representatives of all the life insurance agents of the land. The tribute to his ability to discuss the public side of life insurance has rarely had a counterpart in life insurance annals.

Gordon M. Stolp, the Company's General Agent for California, died July 1, 1908. Mr. Stolp was born in Syracuse, New York, November 22, 1848, began his insurance career in 1880, and became associated with the National as General Agent in 1888. He was an accomplished underwriter, an organizer of unusual capacity, and one of the Company's most loyal and successful managers.

Early in the year 1908 the Company took another step in policy

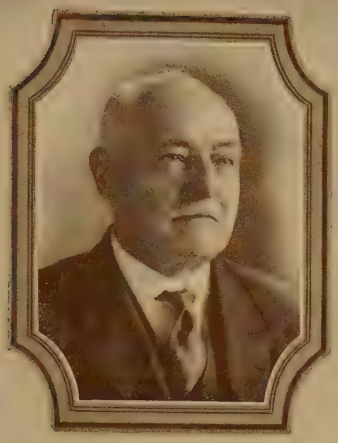
liberalization. A complete new series was issued, simply worded, easily construed, and with increased surrender and extended insurance values. These policies provided for annual dividends and for thirty-one days of grace in premium payments without interest charge, and as before all benefits were guaranteed and endorsed.

December 8, 1908, occurred the death of Vice-President James T. Phelps at his home in Brookline, Massachusetts.

James Turner Phelps was born in Chittenden, Vermont, May 24, 1845. He was educated in the public schools. At the age of thirteen he entered the office of his father who was then general agent of the National in Boston. He succeeded his father in that position in 1869, became a Director of the Company in 1878, and was elected Vice-President in 1902. In these different capacities he served the Company loyally and with rare ability for fifty years. Very few men have contributed in larger measure to the development of the National Life Insurance Company. His whole business life and the best fruits of his thoughts were devoted to it.

He was first of all one of its most versatile and successful solicitors, and he never lost his love for that branch of the business. He thoroughly believed in life insurance as a highly beneficent factor in human society, and he was equally certain that the selling of it, the art of convincing people of their need of it, is a high type of service. The "clean, honest life insurance agent can hold up his head, look any man in the eye, and, if necessary, like William Penn, may wear his hat in the presence of a king." He never ceased to extol the merits of life insurance and the character of the service rendered by the agent. Competitors were never disparaged by him. All genuine life insurance men were his co-workers, for whom he had only words of commendation.

His brilliant and original advertising, which won for him wide prominence, was intended primarily not to direct attention to his own



FRANK A. DWINELL
Supervisor of Farm Loans

MAURICE W. DEWEY
Inspector of Loans

FRANK M. BRYAN
Superintendent of Loans

WILLIAM B. STRATTON
Superintendent of Policy Loans

STANLEY JAYNE
Superintendent of Mortgage Loans

INVESTMENT DEPARTMENT

Mr. Bryan died 1917

Company, but to "provoke discussion of the subject of life insurance." His "sayings" fresh each day in the public press, concise, epigrammatic, always conveyed a thought of the protective service of the institution. From his "Life Insurance Sayings," published by the Company in 1895, are taken the following:

With the word *love* the world of man's vision was enlarged. The effect of the word *freedom* is not yet measured. The word *insurance* comes naturally as a development of humanity.

Potential Manhood! Why not put up some of your labor for use when the tree withers? That is life insurance, a storage battery that will work when the dynamo that gave it power is forever still.

A Vagrant, on trial for having no visible means of support, entered as his defense that his wife was a dressmaker. The wives of those who neglect insurance should learn a trade.

Having to die to win is one of the mouldy objections to life insurance. You must die anyway, and might as well insure and win.

One little realizes how much suspenders have to do with our appearance in society. The same with life insurance; it is an extra brace to keep the family together.

It's a fair swap of lies when a man tells the agent who presents life insurance as a big investment that he does not need it. It is not a big investment, but every man needs it.

It is poor manners to be impolite to a life insurance agent, and a positive iniquity to neglect life insurance.

Why so many agencies? Because we are in competition with death, whose agencies are numberless and whose agents never sleep.

Will your widow dress as well as your wife does?

Do women like insurance? Widows do.

The uninsured are in no more peril than the insured, but their families are.

A dead man works a long time after death if insured. For thus his family receives the wages he did not live to earn.

It is a compliment to be solicited to insure. It is proof that some one thinks you are of some value and use in the world. You may rest assured that if you are not, life insurance companies do not want you.

These are typical examples of Mr. Phelps's sayings, which brought

the subject of life insurance to the notice of the readers of the Boston papers for a period of thirty years. The results of this work benefited others as well as himself, but he was satisfied with his share.

In the days when assessmentism had a firm hold on a part of the insuring public, Mr. Phelps's famous Monkey Bridge was devised to demonstrate the superiority of legal reserve life insurance.

THE MONKEY BRIDGE

IRREGULAR (CO-OPERATIVE), VS.
REGULAR LIFE INSURANCE.
ASSOCIATION.
ASSETS: THE STRENGTH IN THE TAIL AND THE PERMANENCE OF A WHIM.
IF ONE MONKEY CHANGES HIS MIND THE BRIDGE IS DESTROYED.
SOME PASS OVER IN SAFETY: THE LAST ONES TO GO OVER, THOSE WHO FORM THE BRIDGE WILL HAVE TO SWING FOR IT.
SURPLUS ACCUMULATION
BONDS
NATIONAL BANKS
AMERICAN LIFE INS. COMPANIES HAVE OVER FOUR HUNDRED MILLIONS OF DOLLARS INVESTED ASSETS.
EXPERIENCE
A.D. 1800
A.D. 1700
A.D. 1600
A.D. 1500
LIFE INSURANCE IN ITS BEST USE IS A BRIDGE FOR OUR OWN CONVENIENCE OR THE PROTECTION OF OTHERS.

This publication grew out of an experience he had with a prominent bridge builder who was so infatuated with the assessment idea that Mr. Phelps's best efforts failed to secure an application for his brand of insurance. Feeling that his lack of success was due to a faulty presentation of his subject, Mr. Phelps decided to use a line of argument which his prospect could readily understand. With his pencil he constructed a bridge, solid and enduring, each stone in the substructure representing some element of sound insurance, and the superstructure exemplifying substantial insurance service. In contrast with this, he drew a bridge consisting of a chain of monkeys spanning a

chasm, with the caption, "If one monkey changes his mind, the bridge is destroyed." The Monkey Bridge attracted wide attention at the time, and was very generally used by insurance men in combating assessmentism.

As a manager Mr. Phelps built up the Company's first large general agency, and at a time when it stood sorely in need of field strength and production. For many years a large percentage of the Company's total business was written by the Massachusetts agency. In 1860 it produced 32.4 per cent of the year's issue, in 1870 32.2 per cent, and in 1880 43.9 per cent. In insurance in force it held first rank among the Company's general agencies until 1905, since which time it has maintained second place.

As a Director he was always active, his mind was never idle, and all his thoughts were for the welfare of the Company, that is, its policyholders. When asked why he remained through all the early years with a small company when there were tempting offers to go elsewhere, he said, "I have always felt a personal responsibility to my customers, and I have felt safer to have in their hands contracts made by the National because I knew more about it than I did of any other Company."

His first consideration was always for the policyholder. For this reason his cordial support was given to whatever tended to make the Company sound and safe. At the same time liberal policy conditions, insurance made as serviceable to the insured as practicable, had a strong appeal for him. His ability, his wide experience, his thorough familiarity with field conditions made him a potent influence in shaping the Company's underwriting policies and practices over a long period of time. Later, as Vice-President and as editor of the *National Messenger*, he rendered highly important service.

Mr. Phelps was one of the founders of the Boston Life Underwriters' Association and served as its President in 1887-88. He was

FORMER GENERAL AGENTS (DECEASED)

identified with the business interests of Boston, not alone as a prominent insurance official. He was a member of the Chamber of Commerce and of the Merchants' Association, one of the organizers of the United States Trust Company, serving as Vice-President and Director. He was also a Director of the Puritan and Chelsea Trust Companies.

Mr. Phelps was succeeded as Vice-President by Fred A. Howland, and Charles W. Gammons, who had been for twenty-five years associated with the Boston agency, was elected Director.

Chapter VIII—1910–1915

The growth of the Company in size and strength during the ten years ending December 31, 1909, is well shown in the following table:

	December 31, 1899	December 31, 1909
Total Income	$4 313 315 35	$8 418 275 40
Paid Policyholders	1 642 318 74	3 877 779 68
Gross Assets	17 738 861 23	47 490 998 98
Gross Surplus	1 874 922 89	5 829 868 86
Insurance in Force	89 890 026 00	161 423 115 87

Frank Read, senior member of the firm of Frank Read & Son, the Company's General Agents in Philadelphia, died July 28, 1910. Mr. Read was born in Bristol, England, March 4, 1846. At the early age of eight and a half years he engaged to learn the trade of pattern making, served an apprenticeship of six years, and at age twenty-one became foreman of the pattern making department of the Bristol & Exeter Car Shops. Not long afterwards during a period of serious industrial depression he came to this country and found employment at his trade in Reading, Pennsylvania. While there located he became interested in life insurance, applied voluntarily for a policy on his own life, induced some of his friends to insure, and was soon made local agent. Later he was associated with a large New York Company as general agent in Philadelphia. With his partner, Mr. Caveny, he contracted with the National for the Philadelphia territory in April, 1886, and the firm immediately became one of the Company's largest producing agencies. After Mr. Caveny's death in December, 1888, Mr. Read managed the agency alone until 1903, when a partnership was formed with his son, H. Kendall Read, under the name of Frank Read & Son. Mr. Read was a remarkably forceful and accomplished

personal writer, an able organizer, and in all respects a high type of agency manager.

In January, 1911, James B. Estee resigned as Director and as Second Vice-President. He was succeeded as Director by Secretary Osman D. Clark, and as Second Vice-President by Treasurer Harry M. Cutler. Edward D. Field was elected Superintendent of Agencies, and Frank K. Goss was chosen Inspector of Real Estate and Real Estate Loans.

Edward D. Field was born in Rutland, Vermont, January 13, 1879. He was educated in the public schools and at Phillips Andover Academy. From 1897 to 1902 he was a clerk in the Actuarial Department of the National, and the following nine years he was President DeBoer's Secretary.

Frank K. Goss was born in Vergennes, Vermont, April 6, 1879, and graduated from the University of Vermont in 1899. Soon after graduation he entered the employ of the National and served as clerk of the Committee on Finance for twelve years.

At the annual meeting of the Directors in January, 1911, Judge Martin introduced the following resolution:

We are deeply impressed with the achievements of the officers of this Company under the guiding hand of our very worthy President. We all know that his untiring labor, indomitable courage, and unyielding fidelity have brought this Company to a business and financial standard rarely attained by any others. I ask the adoption of this resolution:

Resolved, That we extend to the President our hearty thanks for and our fullest appreciation of his great work, and that we here and now extend to him the hope that he may live long in the service of this most excellent Company.

Senator Dillingham spoke as follows:

Succeeding my father in the Directory nearly twenty years ago, I have seen the Company quadruple its income and the amount of its insurance in force. I have seen its assets leap from six to fifty millions

J. HOWARD EDWARDS

EDWIN B. HAMLIN

EARLE S. KINSLEY

EDWARD O'NEIL

JAMES A. WELLMAN

GENERAL AGENTS

of dollars, and its surplus grow from less than one to more than six millions of dollars.

It has been my lot to have part in all the varied experiences through which the Company has passed, some of them of a nature to cause great perplexity and to make these meetings seasons of anxiety rather than of joy, as at the present time, and it has also been my privilege to know President DeBoer from the time when he so demonstrated his ability as the head of the Montpelier schools that his services were sought and obtained by the National Life, where every year has added to his growth and development, until he is now recognized as a master mind in the insurance world.

As Actuary, Vice-President, and President of this Company he has rendered a service which can only be understood by those who have been officially connected with him in his work; but I feel sure that every Director present will agree with me when I say that to his ability and devoted service, to his wise, strong, determined, and thorough-going administration of its affairs, the Company owes a deep debt of gratitude.

As one who has had exceptional opportunity to note the strength and ability with which he has approached every problem, the courage and patience with which he has met every difficulty, and the abundant success which has crowned all his efforts, I heartily favor the adoption of the resolution.

The resolution was unanimously adopted.

In January, 1912, Frank C. Partridge of Proctor, lawyer and Vice-President of the Vermont Marble Company, was elected Director of the Company to succeed Ex-Governor Fletcher D. Proctor, whose death occurred September 27, 1911.[1] Governor Proctor had been a member of the Board for five years, during which time he rendered the Company efficient service.

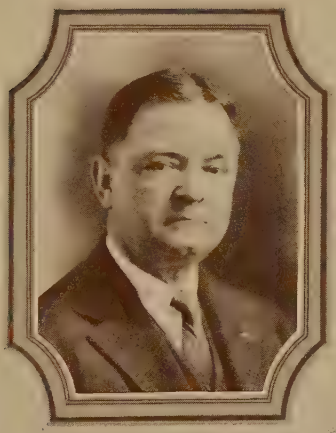
A new Monthly Income policy was introduced by the Company in January, 1911, and two years later, in January, 1913, the conver-

[1] Fletcher D. Proctor was born in Cavendish, Vt., November 7, 1860, and graduated from Amherst College in 1882. He became president of the Vermont Marble Company, 1889, president Clarendon & Pittsford Railroad Company, and director of the Rutland Railroad Company, New England Telephone and Telegraph Company, and Proctor Trust Company. He represented Proctor in the Legislature three terms, was Speaker of the House in 1900, State Senator in 1892, and Governor of Vermont, 1906–8.

GEORGE M. ROBINSON

EDWARD N. STRONG

FRED T. RENCH



CHARLES A. CRAVENS

SELWYN C. WOODARD

GENERAL AGENTS

sion of Life and Limited Payment Life policies to matured Endowments, through the accelerative feature of dividend additions, was made a policy provision. At the same time Non-Participating Life, Endowment, and Term policies were discontinued. Only participating insurance has been written since that date.

June 10, 1912, occurred the death of Colonel William W. Sprague, the Company's General Agent at St. Johnsbury, Vermont. Colonel Sprague was born in Hingham, Massachusetts, January 5, 1842. At nineteen he enlisted in the Thirteenth Massachusetts Volunteers, served three years, and was imprisoned for a year on Belle Isle. After the war he was a merchant in Massachusetts and Vermont until 1892, when he was appointed postmaster at St. Johnsbury. In April, 1895, he became associated with the National as General Agent. He was a good business man, built up a successful agency, and was very highly regarded by his patrons and by the Company.

In October, 1912, Olmsted Brothers & Company of Cleveland held a meeting of Ohio and Indiana agents in commemoration of the completion of thirty-three years of continuous service for the Company. This meeting was attended by the President and other officers of the Company, and the Board of Directors sent a message of congratulation upon the grand work done by the general agency, and wishes for its continued prosperity. This general agency, the largest in the National's history, had at the time on its books more than thirteen per cent of the Company's total insurance. In point of size, quality of production, uniform loyalty, and general efficiency, it has during all the years stood in the very front rank of the Company's agency forces.

Henry Russell Platt of Chicago, lawyer, was chosen Director in January, 1915, in place of Judge James L. Martin, who died suddenly

NEW HOME OFFICE

January 14, 1915. During his nine years' association with the National he was one of its strongest and most useful Directors.[1]

The death of another Director of great usefulness, General John G. McCullough, occurred May 29, 1915. He brought to the National a ripe experience in large business affairs, and during a service of sixteen years was unflagging in his devotion to the Company's interests.[2]

On Christmas morning, 1915, in the midst of the greatest prosperity the Company had ever enjoyed, occurred the death of President Joseph A. DeBoer, who had done so much to make its position strong.

Joseph Arend DeBoer was born in Holland, June 17, 1861. He was of foreign birth, but ever after becoming a citizen of this country he was thoroughly and genuinely American. He expressed himself fully on this subject on various occasions. In 1905, when invited to become a member of the Netherland Club, he replied in part as follows:

All my associations for nearly thirty-seven years have been American, and I have become in thought, experience, impulse, and purpose strictly American.

This does not preclude my affection, regard, and love for my moth-

[1] James L. Martin was born in Landgrove, Vt., September 13, 1846. He was a teacher for six years, a graduate of the Albany Law School, 1869, practiced his profession in Londonderry for thirteen years, moved to Brattleboro in 1882, represented Londonderry in the Legislature for ten years, was Speaker of the House for six years, State's Attorney 1874–6, State Tax Commissioner 1888–90 and 1892–4, United States District attorney 1896–1906, and Judge of the United States District Court from 1906 until his death.

[2] John G. McCullough was born September 16, 1835, near Newark, Del. He was graduated from Delaware College, 1855, and from the Law Department of the University of Pennsylvania, 1858. He soon afterwards went to California because of failing health, became member of the California Legislature, 1861, of the Senate, 1862, Attorney-General of the state, 1863, practiced law in San Francisco for five years, removed to Vermont in 1873, was vice-president and general manager of the Panama Railroad Company, 1873–82, president of the same company 1882–8, director of the Erie Railroad Company, 1884, president of the Chicago & Erie Railroad Company, 1890–1910, president of the Bennington & Rutland Railroad Company 1883–1900, president of the Bennington National Bank and director of various other banking and railroad companies, Senator from Bennington County, 1898, and Governor of Vermont, 1902–4.

GENERAL AGENTS

er's country, whose history and even whose present position in the affairs of the world's work I most profoundly admire, treasure, and respect. At the same time I must frankly say that in my opinion, based upon years of experience, observation, and study in this country, dedicated to republican institutions, to the well being of the individual, and to the quality and advancement of the individual, without regard to sex, race, or nationality, it is not wise or prudential to foster and maintain distinctions based upon birth, ancestry, or any other consideration of that kind.

As for me, my own experience and education lead me to but one conclusion as being practical and correct, namely, that having been brought by the accident of chance to be a citizen of the United States and having adopted this as my country and this as the place of my life work, I think it best, as it is my purpose, to claim and practice no other relationship than that of a citizen of Vermont and of the United States and to contribute to no association outside of that single relationship.

When he was seven years of age he was brought by his mother and stepfather to Albany, N. Y., worked his way through school and college, was graduated from Dartmouth College in 1884, was master of Holderness School 1884-5, and principal of the Montpelier public schools, 1885-9. Dartmouth College conferred on him the honorary degrees of A.M. in 1897 and Sc.D. in 1909.

He was State Senator, 1900, chairman of the Commission on State School Fund, 1904; Montpelier representative in the Legislature, 1908; made a historical address on Vermont at the Jamestown, Virginia, Exposition, 1907, at the Montpelier Centenary, and at the dedication of the Montpelier City Hall, 1911.

During his life in Montpelier Mr. DeBoer manifested a high sense of civic duty and responsibility and was a leader in all movements which promised to promote the welfare of the community. In the church, on the School Board, as President of the Board of Trade, and in numberless other capacities he served his home city. He also in-

terested himself in State affairs. No native-born son was more loyal to Vermont than he, and his time, his tongue, and his pen were devoted to her service whenever opportunity offered. He was prominently identified with educational, historical, and other state activities, and during his later years was generally recognized as one of the foremost citizens of Vermont.

October 1, 1889, Mr. DeBoer became associated with the National as Actuary. Soon afterwards he registered with D. P. Fackler, Consulting Actuary of New York, and began to prepare himself for his new duties. In the earlier years consulting actuarial work had been done for the Company by Elizur Wright, who also at different times valued its policy liabilities, but it had never previously had a resident Actuary except in name. Mr. DeBoer organized the Department, and in a short time took important steps to insure a sound mathematical basis for the Company's operations. At the end of his first year of service, on his advice the contribution plan of surplus distribution was adopted and the post-mortem dividend was discontinued. At the same time he recommended that the so-called "extra dividend" be discontinued, but it was not found practicable to do this until eleven years later. His development was rapid, and under his administration the Actuarial Department became a potent factor in the Company's affairs. He was a charter member of the Actuarial Society of America.

At the outset of his insurance career his associates were particularly impressed with his tremendous capacity for hard work, the infinite pains he took with his every task, his great facility of expression which made his spoken and written words attractive and effective, and his remarkable ability to analyze difficult problems, to readily sift the nucleus from confusing non-essentials.

In 1896 he was made a member of the Committee on Selection, in which capacity he served for six years. He brought to this phase of

the Company's work a characteristic determination to grasp the principles of border-line risk selection, and to digest such published data and worth-while opinions bearing upon the subject as were extant at the time. He was an exceedingly useful member of the Committee.

His natural gifts, furthered by studied effort, made him an accomplished correspondent, and as Secretary of the Company in 1897-1898 he rendered distinguished service.

In 1900 he was elected Second Vice-President with executive charge of the Company's field force, and in the discharge of the duties of this office he rose to a great height of efficiency. He understood the man in the field and was responsive to his needs. He counted him in large measure responsible for the great accomplishments of American life insurance, and he was always glad to give freely of his time and thought to the elucidation of field problems. He keenly enjoyed meeting agents singly or in convention. His manner as well as his words made this fact manifest, and he never failed to win their high esteem, their admiration, and their full confidence. He was a master in enlisting the enthusiastic support of the Company's field representatives for what he deemed right practices in life underwriting. Always a graceful and effective speaker, he was in his best mood when before an audience of agents, and as a result during his whole insurance career he was plied with invitations to address local, district, state, and national agency organizations, only a very small fraction of which it was possible for him to accept.

January 15, 1901, he was chosen Vice-President and member of the Finance Committee, and from that time on much of his attention was devoted to financial and investment problems. In a letter written soon after his election as Vice-President, he said, "I have had no knowledge of this Company's investments except in a general way, and from the standpoint of results rather than from familiarity with the current details. I am now being daily initiated into the methods

ISAAC S. GEORGE

JACOB C. RARDIN

HORATIO G. MURPHY

CHARLES S. MONTGOMERY

HOWARD A. VIDAL

WILLIAM P. STEDMAN

GENERAL AGENTS

of thought and doing which have governed financial transactions in recent years."

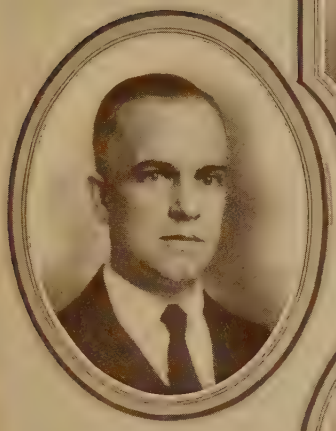
For some three years the Company had been investing largely in farm mortgages in the West. "The rule is to segregate choice areas, commended both for their soil and the character and success of their population. Within this district through approved correspondents are selected on fixed rules securities for loans. The mortgage is a purchase by the Company. The seller acts as the borrower's agent, not the Company's. The purchase is made subject to an agreement that the Company may, within one year after inspection of the security, recall the loan. No money is paid out until abstracts stand approved and all mortgage papers, insurances, and records have been completed to the Company's satisfaction. Two farm-loan inspectors are kept busy the year round in this work as the seasons admit. The rule is to inspect every security, to secure an independent home office judgment, and to check up the local conditions in the lending fields all the time."

Mr. DeBoer became a great admirer and ardent supporter of this system. During his presidency it was extended and improved, and is still practiced by the Company.

A cardinal feature of his investment policy from the beginning was the elimination of bank stocks, stocks of all kinds, loans on collateral, railroad, and industrial securities, and all investments of a speculative nature. This policy he applied with a firm hand until, in 1906, he could say, "We hold all our assets exclusively in municipal bonds, in first lien mortgages on improved farm and city property, in loans to our own policyholders, and in cash in hand. No stocks, collaterals, or industrials exist in our lists."

At the same time he defined his investment creed as follows: "We believe in taking care of the Company's funds upon the strict law that they are trust funds, and that they can and should be free from all speculation and doubt, that investments should not be made upon the

BRUCE S. JOHNSON

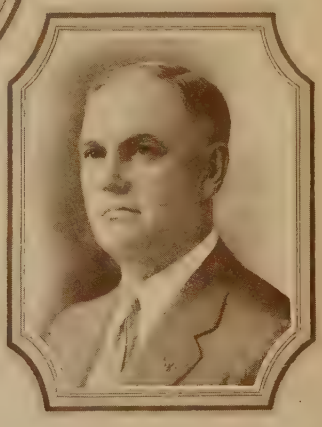


BRUCE L. CROSTHWAIT

HUGH M. HUMPHREY

RICHARD H. CUTLER

WILLIAM C. WORTHINGTON



WILLIAM B. HENDERSON

GENERAL AGENTS

theory of being in the market, but to be held as solid and safe securities, able to discharge their function in a scientific scheme of life insurance work."

In April, 1902, Mr. DeBoer came to the presidency with an intimate working knowledge of the Actuarial, Selection, Secretarial, Agency, and Investment Departments, with a thorough understanding of the Company's condition, and on all sides admirably equipped to take executive charge of its affairs. Under his leadership the National became larger, sounder, and stronger than it had ever been before. During the thirteen years of his presidency the Company's assets increased from $22,384,263.37 to $63,828,704.98, the insurance in force from $108,573,050 (written basis) to $200,987,121 (paid-for basis), the annual payments to annuitants from $34,749.05 to $568,762.16, the general surplus from $736,218.15 to $3,822,652.97, and the surplus payments from $137,996.42 to $1,324,246.86.

To his wise and skilful leadership this remarkable growth was due. Never departing from the conservative principles of the founders of the Company, he had a vision of what a mutual life insurance company ought to be, and the power of initiative and the skill to lead the National a long way toward that ideal.

Mr. DeBoer believed thoroughly in life insurance and loved his work. With unremitting industry he devoted his brilliant intellectual powers and remarkable constructive genius to the upbuilding of the National as a strictly policyholders' company upon a liberal, sound, and scientific basis.

The three men who stand out most prominently in the National's history are Doctor Julius Y. Dewey, a great and forceful character who, under adverse circumstances, built the Company; Joseph A. DeBoer, who corrected its weaknesses, put it on a scientific foundation, and made it solid and strong in all its departments; and James T. Phelps who, in the earlier years, wrote a large percentage of its

business, during the middle period largely influenced its underwriting practices, and later ably seconded Mr. DeBoer in his work of reconstruction.

At this juncture, when the loss of its chief executive was keenly felt on all sides, the National was highly fortunate in having on its official staff a man who, by natural endowment, by professional, business, and insurance experience, and by thorough knowledge of the Company, was amply fitted to administer its affairs. Fred A. Howland had been the Company's Counsel since 1903, Vice-President and member of the Committee on Finance since 1911. At the annual meeting of the Directors in January, 1916, he was elected President; Harry M. Cutler, Vice-President; and Frank M. Bryan, Superintendent of Loans. The two vacancies in the Directory were filled by the election of Clark C. Fitts of Brattleboro, lawyer, and Doctor Arthur B. Bisbee, the Company's Medical Director.

Chapter IX—1916–1925

In April, 1916, George B. Young and William W. Russell were elected respectively Counsel and Assistant Treasurer of the Company.

Mr. Young was born in Troy, Vermont, April 20, 1867, educated at Dartmouth College, admitted to the Vermont bar 1891, the Minnesota bar 1892, and to practice in the Supreme Court of the United States, 1907. He located in Minneapolis, was Attorney Minneapolis, St. Paul & Sault Ste. Marie Railroad 1893-5, and engaged in general practice 1895-9. He formed a partnership with his father in Newport, Vermont, 1899. He was Commissioner on Uniform State Laws from Vermont 1911, Secretary National Conference Commission Uniform Laws 1914, and is Trustee of Wilbraham Academy, Director Connecticut & Passumpsic River, St. Johnsbury & Lake Champlain, and Newport & Richford railroads.

Mr. Russell was born in Plymouth, New Hampshire, May 22, 1876. From 1894 to 1898 he was employed in the National Bank of Newbury at Wells River, Vermont, from 1898 to 1906 in the Vermont State Treasurer's office, and was Deputy Insurance Commissioner of Vermont from 1901 to 1906. He was Cashier of the First National Bank at White River Junction from 1907 to 1916. At the annual meeting, in January, 1917, Mr. Russell was made Treasurer of the Company.

Still another member of the Company's Board of Directors, the third within nineteen months, Clark C. Fitts, was removed by death December 20, 1916. Mr. Fitts had been a Director for less than a year. His loss to the Company was measured by the natural expectation of great service which his capacity for broad and comprehensive

DEWITT A. CLARK

ALBERT H. GSELLER

NORMAN W. HAYWARD

FRED A. STOLP

EDWARD M. McMAHON

CHARLES B. PALMER

GENERAL AGENTS

judgment fitted him to render had his life been spared.[1] Colonel J. Gray Estey of Brattleboro, President of the Estey Organ Company, succeeded Mr. Fitts as Director.

June 12, 1917, occurred the death of Frank M. Bryan, Superintendent of Loans. Mr. Bryan came to the National in June, 1896, and after a short service as accountant entered the Loan Department. In 1905 he was made Inspector of Loans and in 1916 Superintendent of Loans. He was a man of strong convictions, independent judgment, precise knowledge, rare fidelity to his work, and of exceptional administrative capacity. His record with the Company was one of honorable service constantly increasing in value.

When in 1917 war conditions again confronted the National, all of its outstanding policies were free from restrictions as to military and naval service. The insurance in force at attained age thirty or under amounted to twenty-four and a half millions. The problem was to safeguard properly the interests of the Company's membership in the admission of new lives. No uniform action was agreed upon by the different companies as was done at the time of the Civil War.

The practice of the National in time of peace had been not to issue policies to men who, when application was made, were in or expected to enter military or naval service. This practice was not modified. At the outset single men of draft age were limited to $2,500, and married men of the same age were limited to $5,000, and no Term insurance was granted at these ages. Between the ages of thirty and thirty-five inclusive, $5,000 was the limit for single men and $10,000 for married men, and not over fifty per cent of the new insurance could be on the Term plan.

[1] Clark C. Fitts was born in Wardsboro, Vt., October 17, 1870, admitted to the bar at twenty-one, and practiced in Brattleboro. He was State's Attorney 1894–96, represented Brattleboro in the Legislature 1904, was Attorney General of Vermont 1904–8, president Vermont Bar Association, vice-president American Bar Association, director Connecticut River Power Company, Peoples' National Bank, and Brattleboro Savings Bank.

To all policies issued up to and including the age of forty a war clause was attached which stipulated that should the insured within five years engage in military or naval service, the liability thereunder would be limited to the reserve unless within thirty days after entering such service the insured should pay an extra premium of fifty dollars per thousand. A few months later the Association of Insurance Commissioners recommended a uniform clause, which was adopted by the National and several other companies. This clause was practically identical with the Company's first clause, except that it provided for such extra premium, after the first which was fixed at $37.50, as might be required by each company's experience.

This practice was modified in some of its details as time went on and the conscription ages were changed. After the draft classifications were established, the limitations at some ages and in some classes were liberalized.

As soon as practicable after peace was declared all restrictions were removed, the war clause was discontinued, and the unearned extra premiums were returned to the insured.

The total war losses paid by the Company amounted to $249,441.42 on 131 lives.

Died in the United States	50	$87 057 20
Died outside the United States	81	162 384 22
Killed in action	61	123 325 76
Disease or accident	70	126 115 66

Only two policies carrying a war clause were terminated by death.

While hostilities were still in progress came the devastating epidemic of influenza which tested the stability of American life insurance as never before. During the last four months of 1918 and the first three months of 1919 the National paid influenza-pneumonia claims amounting to $1,113,703.46. The net mortality after deducting the reserve was $915,062.69. The Company's total mortality for the year

1918 was 84.1 per cent of the expected, and, for 1919, 63.3 per cent.

The combined losses from the war and from the influenza epidemic were met by the National without change in its practice or modification of its dividend scale.

The maximum limit of insurance was increased to $50,000 in July, 1918.

In January, 1919, Paul Dillingham was elected Inspector of Real Estate and Real Estate Loans.

Mr. Dillingham was born in Waterbury, Vermont, October 27, 1878, was educated at Dartmouth College and Columbia University, was a clerk in the Loan Department of the National 1902 to 1907, clerk of the United States Senate Committee on Immigration 1907-8, executive clerk of the Traffic Bureau of the Merchants' Exchange, 1908-10, and returned to the National 1911.

During the same month the Company began writing supplemental agreements providing in case of permanent and total disability for waiver of premium and for waiver of premium and monthly income.

The new business written in 1919 greatly exceeded any previous year's issue. On a paid-for basis the amount was $50,224,638, an increase over the previous year's production of $24,120,157.

At the beginning of 1920 Frank A. Dwinell was advanced to the office of Supervisor of Farm Loans, and Maurice W. Dewey succeeded him as Inspector of Real Estate and Real Estate Loans. Frank M. Kendall, who had been long in the Company's service, was elected Cashier.

Mr. Dewey was born in Montpelier May 11, 1889, and was educated at Williston Academy and the Lowell Textile School. He was Treasurer of Peck Brothers, hardware and plumbing, Montpelier, 1911 to 1916 and became associated with the National in 1916.

Mr. Kendall was born in Roxbury, Vermont, June 26, 1861. He was Teller First National Bank, Montpelier, 1881 to 1884, Assistant

DIRECTORS, 1922

Cashier Howard National Bank, Burlington, 1884-1888, engaged in banking and manufacturing business in the State of Washington 1889 to 1899, and became clerk in the home office of the National 1899.

In April, 1920, Dr. John M. Thomas, President of Middlebury College, was chosen Director of the Company in place of George Briggs, who had resigned on account of continued ill health.

At the same time further changes were made in the official staff. George K. Putnam and George W. Oliphant were elected Assistant Secretaries, Henry Holt and Henry H. Jackson Assistant Actuaries, Herbert R. Pierce Superintendent of Loan Department, and Loriman P. Brigham, Robert P. Withington, and Alanson B. Shepard Agency Supervisors.

George K. Putnam was born in Randolph, Vermont, August 8, 1866. He was telegraph operator and railroad office clerk 1882-93. He entered the Secretary's Department of the National 1893.

George W. Oliphant, born in Methuen, Massachusetts, July 28, 1886, was graduated from Dartmouth College 1909, and became an insurance salesman in 1909. He engaged in wholesale importing work in New York from 1910 until enlistment as Lieutenant in the United States Naval Reserves in the World War. He entered the service of the National 1919.

Henry Holt was born in Woodsville, New Hampshire, April 13, 1872. He was clerk, National Bank, Barre, Vermont, 1891-3, teller in the Moorehead National Bank, Moorehead, North Dakota, and Assistant Treasurer Red River Valley Banking Company, Fargo, 1893-5. He came into the service of the Company in 1895.

Henry H. Jackson, born in Barre, Vermont, August 30, 1884, was graduated with first honors from Yale University in 1908, and taught in Spaulding High School, Barre, 1908-18. He entered the Actuarial Department of the National 1918.

Herbert R. Pierce, born in Bellows Falls, Vermont, November

H. KENDALL READ

GEORGE D. ALDER

GEORGE P. DEWEY

ARTHUR G. SPRAGUE

ROGER W. HULBURD

GENERAL AGENTS

10, 1888, was graduated from the University of Vermont in 1910, and began business with the Robinson Paper Company, Bellows Falls, 1910-12. He was Senator William P. Dillingham's secretary 1912-1916 and became associated with the National in 1916.

Loriman P. Brigham, born in Marlborough, Massachusetts, October 24, 1878, was graduated from Amherst College 1900, was in the employ of Marlborough Savings Bank 1900-3, was a jewelry merchant 1903-11, and in business with the James T. Phelps agency, Boston, 1911-20.

Robert P. Withington, born in South Amboy, New Jersey, June 29, 1888, was educated at Trinity College. He was life insurance agent in Springfield, Massachusetts, 1913-17, and Ensign United States Navy 1917-19. He entered the Agency Department of the National, 1919.

Alanson B. Shepard, born in Marshfield, Vermont, November 4, 1882, entered the employ of the Company 1899.

At the Directors' meeting in July, 1920, Loriman P. Brigham was made Assistant Superintendent of Agencies.

Another substantial increase was shown in the amount of new business written in 1920, policies being issued and paid for to the amount of $61,602,081.

At the annual meeting in January, 1921, the Directors took decisive action in regard to the construction of a new building. For a long time the need of increased home office space had been keenly felt. The Company's building was crowded to the full limit of safety, and it had been necessary to find outside quarters for some of the departments. These conditions influenced the Directors to appoint a building committee consisting of Vice-President Cutler, Chairman; President Howland, General Counsel Young, and Directors Gammons and Partridge, who, after considering the various plans proposed, reported at the April quarterly meeting against enlarging and extend-

MEMBERS OF LEADERS' CLUB FIVE CONSECUTIVE YEARS

ing the old home office structure and in favor of a new building on a site including the residence of the late President DeBoer and adjacent property. Their report was adopted, as were also the plans submitted by architects Cram & Ferguson, and the Committee was authorized to erect, furnish, and equip the building. The building contract was awarded to L. D. Willcutt & Sons Company of Boston, and the work of construction was soon in progress.

The Agents' Association, which had been dormant since 1905, was reorganized as the General Agents' Association in 1918, since which time successful meetings have been held as follows:

	President	Vice-President	Secy-Treas.	Place of Meeting
1918	J. A. Wellman	A. G. Goodrich	W. B. Henderson	Montpelier
1919	A. G. Goodrich	E. B. Hamlin	P. H. Dobbins	Cleveland
1920	E. B. Hamlin	C. A. Cravens	C. B. Palmer	Buffalo
1921	C. A. Cravens	E. S. Kinsley	C. B. Palmer	Cleveland
1922	E. S. Kinsley	F. T. Rench	C. B. Palmer	Montpelier
1923	F. T. Rench	J. H. Edwards	C. B. Palmer	Montpelier

In April, 1921, George W. Oliphant, having resigned as Assistant Secretary, was succeeded by Herbert R. Pierce, and Paul Dillingham was elected Superintendent of the Loan Department in place of Mr. Pierce.

November 16, 1921, the death of Alfred G. Goodrich of Baltimore removed one of the Company's leading general agents. Mr. Goodrich entered the employ of the National in 1898 as a salesman under his father, Marcellus H. Goodrich, who was then General Manager at Baltimore. His conspicuous success as a salesman, coupled with a promising capacity for leadership, won for him appointment as his father's successor in 1912. By his energy and marked ability as an underwriter, he brought the business of the agency to a high rank. He was President of the General Agents' Association in 1919-20, and also President of the Leaders' Club. His early death was a distinct loss to the Company.

At the annual election in January, 1922, Doctor Arthur B. Bisbee was made Second Vice-President and Medical Director, Edward D. Field, Second Vice-President, Supervising Underwriting, and Loriman P. Brigham, Superintendent of Agencies.

The Company moved to its new office building June 19, 1922, at which time the home office force consisted of two hundred and nine officers and employees. In 1891, when the former office building was first occupied, the total force numbered twenty.

In January, 1923, P. O. Osterhus was chosen Agency Supervisor; Stanley Jayne, Superintendent of Mortgage Loans; and William B. Stratton, Superintendent of Policy Loans.

Peter O. Osterhus, born in Fayette County, Iowa, August 21, 1881, was educated at Valparaiso University, Wisconsin University, and Columbia University, was teacher 1906-16, in War Camp Community Service 1917-19, and in life insurance 1919-23.

Stanley Jayne, born in Albany, New York, September 12, 1888, was clerk in different departments, Vermont State Capitol, 1906-15, and has been clerk with the National since 1915.

William B. Stratton, born in Montpelier, September 4, 1881, was clerk, First National Bank, Montpelier, 1899-1904; clerk, Vermont Mutual Fire Insurance Company 1904-5; clerk, Treasurer's Department of the National 1905.

In January, 1923, reduction of the initial rate on Life and Endowment policies went into effect. On the whole Life plan the premium reduction was equal to five per cent of the net rate, and on other plans a graded but somewhat smaller percentage.

July 12, 1923, occurred the death of the senior member of the Company's Board of Directors, Senator William P. Dillingham, whose long and eminent public service, wide acquaintance, and broad vision gave him a distinguished place in the councils of the Com-

pany.[1] The service on the Board of his father, Governor Paul Dillingham, from 1850 until his death in 1891, and of Senator Dillingham, who immediately succeeded his father and in turn served until his decease, covered the entire life of the Company. From his father he absorbed a familiarity with the early history and struggling days of the National, and he never lost his fondness for it. Through his whole busy life he maintained a keen interest in its affairs. He seemed always to regard its business as his business, and he gave to it without stint of his strength and his wisdom. For two years he served as Counsel and three years as member of its Committee on Finance. In the death of Senator Dillingham the Company lost one of its truest friends, and one of the most efficient Directors in its whole history.

Elbert S. Brigham of St. Albans, State Commissioner of Agriculture, succeeded Senator Dillingham as Director.

In January, 1924, the maximum insurance limit was increased to $100,000 with reinsurance above $50,000. On the same date the dividend scale was improved and thoroughly revised policy forms went into use. These forms were of small legal document size, the phraseology was simplified, the incontestable period was extended to two years from date of issue, the non-forfeiture values were provided for at the end of the second year, cash surrender values equal to the reserves at the end of the fifth year, and the other non-forfeiture values mathematical equivalents of the cash values.

[1] William Paul Dillingham was born in Waterbury, Vt., December 12, 1843, studied law with his brother-in-law, Matt H. Carpenter, in Milwaukee, was admitted to the bar in 1867, and practiced in Waterbury until 1890 when he became a member of the firm of Dillingham & Huse in Montpelier. He was State's Attorney 1872–6, Waterbury's representative in the Legislature 1876 and 1884, County Senator 1878–80, State Tax Commissioner 1882–8, Governor of Vermont 1888, and United States Senator 1900 until his death. "In Senator Dillingham's devotion to duty, in the purity of his motives, in his moral courage, as well as in the personal esteem and affection in which he was held by colleagues in Washington and by constituents at home, there has been none in the long line of illustrious Vermont senators to whom he must yield precedence." (*Wardner.*)

PRESENT BUILDING WITH PROPOSED EXTENSION

In April, 1924, the Directors voted a still further increase in the dividend scale for 1925.

At a special meeting of the Directors held December 30, 1924, it was voted to declare and apportion an extra dividend payable to policyholders in 1925 amounting to twenty per cent of the regular annual dividend.

In January, 1925, Henry H. Jackson was elected Associate Actuary, Doctor George E. Allen was elected Assistant Medical Director, and Guy B. Horton, Clifton M. Heaton, and John M. Avery were elected Attorneys.

Doctor Allen was born in Haverhill, Massachusetts, January 1, 1888, graduated from Dartmouth College 1910, Dartmouth Medical School 1913, and from Boston City Hospital 1914. For seven years he was in charge of the East Boston Relief Station of the Boston City Hospital.

Mr. Horton was born in North Clarendon, Vermont, December 1, 1875, graduated from Middlebury College 1900, was Professor of History and Political Science, Middlebury College, 1901-2, admitted to the bar 1906, and practiced in Burlington. He was Assistant Editor, *Vermont Digest*, 1910, Editor *Annotated Continuation Vermont Digest*, 1911, Compiler *Vermont Citations* 1911, Lecturer on Government and Law, Middlebury College, 1912-13.

Clifton M. Heaton was born in Montpelier October 18, 1877, educated at the University of Vermont, admitted to the bar 1901, practiced in Montpelier 1901-8, and was associated with Merriam Mortgage Company, Topeka, Kansas, 1908-14. He joined the Legal Department of the National 1914.

John M. Avery, born April 4, 1890, in Wallingford, Vermont, was graduated from Middlebury College, 1911, was Legislative Reference Librarian, 1913-19, admitted to the bar 1919, State Tax Commissioner 1919-20, Legislative Reference Librarian 1921-2, and joined the Legal Department of the National 1922.

Top, Vermont State Capitol *Center*, National Life Building, on State Capitol Square *Below*, Agency Convention Home Office, 1923

The expansion of the Company during the past twenty-five years, 1900 to 1924, is shown in the following tables:

(WRITTEN BASIS)

TABLE I

	Issues		Cancellations	
	Policies		Policies	
Life	180 744	$474 343 906	79 758	$184 753 161
Endowment	83 999	157 634 048	46 955	84 720 323
Term	75 470	203 713 909	59 233	157 495 466
			In force	
			154 267	408 722 913
	340 213	$835 691 863	340 213	$835 691 863

TABLE II

December 31st	Year's Issue	Insurance in force
1904	$24 061 694	$134 761 554
1909	20 405 944	161 423 116
1914	24 766 507	196 530 612
1919	56 767 246	271 859 379
1924	73 171 916	425 925 186

Of the volume issued 50.97 per cent remained in force December 31, 1924.

Of the volume issued 56.76 per cent was Life, 18.86 per cent Endowment, and 24.38 per cent Term.

Of the volume in force December 31, 1924, 70.85 per cent was Life, 17.84 per cent Endowment, and 11.31 per cent Term.

Of the volume issued 12.41 per cent was written during the first five years; 25.55 per cent was written during the first ten years; 39.43 per cent was written during the first fifteen years; 60.41 per cent was written during the first twenty years.

During the last five years the issue was 39.59 per cent of the total volume written during the twenty-five years.

History of Insurance Issued During Seventy-five Years, 1850-1924.

(WRITTEN BASIS)

Table I

	Issues		Cancellations	
	Policies		Policies	
Life	249 640	$634 973 703	139 650	$328 780 723
Endowment	120 833	216 525 581	83 544	143 067 323
Term	78 099	209 506 332	61 818	163 232 384
			In force	
			163 560	425 925 186
	448 572	$1 061 005 616	448 572	$1 061 005 616

Table II

December 31st	Year's Issue	Insurance in force	December 31st	Year's Issue	Insurance in force
1854	$220 150	$992 150	1894	$14 769 916	$64 975 950
1859	376 700	1 706 096	1899	17 917 591	89 890 026
1864	727 600	2 763 976	1904	23 961 694	134 761 555
1869	768 887	4 776 741	1909	20 405 944	161 423 116
1874	1 802 177	9 637 698	1914	24 766 507	196 530 612
1879	1 022 767	8 306 052	1919	56 767 246	271 859 379
1884	3 683 605	14 106 761	1924	73 171 916	425 925 186
1889	12 743 988	38 767 541	Written issue of 1924 not reported paid on December 31st		4 359 327
			On paid-for basis		$421 565 859

Of the volume issued 40.14 per cent remained in force December 31, 1924.

Of the volume issued 59.85 per cent was Life, 20.41 per cent Endowment, and 19.74 per cent Term.

Of the volume in force December 31, 1924, 71.89 per cent was Life, 17.25 per cent Endowment, and 10.86 per cent Term.

Of the volume issued 0.86 per cent was written during the first twenty

years; 2.29 per cent was written during the first thirty years; 6.22 per cent was written during the first forty years; 21.24 per cent was written during the first fifty years; 41.36 per cent was written during the first sixty years; 68.81 per cent was written during the first seventy years.

Of the volume issued 31.19 per cent was written during the past five years; 47.71 per cent was written during the past ten years; 58.64 per cent was written during the past fifteen years; 78.76 per cent was written during the past twenty-five years; 93.78 per cent was written during the past thirty-five years; 97.71 per cent was written during the past forty-five years.

APPENDIX

Appendix

Incorporators, Directors, and Officers of the National Life Insurance Company

Incorporators

Amos Abbott
Benjamin Balch
Henry Clay
Julius Converse
Henry Y. Cranston
Robert P. Dunlap
William C. Kittredge
William B. Maclay
Robert Pierpoint
Alexander Ramsey
William M. Tredway
Albert G. Whittemore

Directors

Luther W. Anderson	Oct. 1849 — Jan. 6, 1851
Benjamin Balch	Oct. 1849 — Jan. 6, 1851
Daniel Baldwin	Oct. 1849 — Apr. 5, 1852
Joseph H. Barrett	Oct. 1849 — Jan. 6, 1851
William C. Bouck	Oct. 1849 — Jan. 6, 1851
William C. Bradley	Oct. 1849 — Jan. 6, 1851
Julius Converse	Oct. 1849 — Jan. 3, 1853
Joseph B. Danforth	Oct. 1849 — Jan. 5, 1852
Julius Y. Dewey*	Oct. 1849 — May 29, 1877
Paul Dillingham*	Oct. 1849 — July 26, 1891
Robert P. Dunlap	Oct. 1849 — Jan. 6, 1851
Nathaniel H. Eaton	Oct. 1849 — Jan. 6, 1851
Homer W. Heaton	Oct. 1849 — Jan. 7, 1867
Homer E. Hubbell	Oct. 1849 — Jan. 6, 1851
William C. Kittredge	Oct. 1849 — Jan. 6, 1851
George Langdon	Oct. 1849 — Jan. 6, 1851
John A. Page	Oct. 1849 — Jan. 1, 1855
Lucius B. Peck	Oct. 1849 — Jan. 6, 1851
Samuel S. Phelps	Oct. 1849 — Jan. 6, 1851
Timothy P. Redfield*	Oct. 1849 — Mch. 27, 1888
Edward A. Stansbury	Oct. 1849 — Jan. 6, 1851

William Upham	Oct. 1849	— Jan. 6, 1851
Jackson A. Vail	Oct. 1849	— Jan. 6, 1851
Edmund Weston	Oct. 1849	— Jan. 3, 1853
William Weston	Oct. 1849	— Jan. 6, 1851
Albert L. Catlin	Jan. 6, 1851	— Jan. 2, 1854
George W. Collamer	Jan. 6, 1851	— Jan. 6, 1862
Charles Dewey*	Jan. 6, 1851	— Aug. 31, 1905
Orrin Smith	Jan. 6, 1851	— Jan. 5, 1857
Charles G. Eastman*	Jan. 5, 1852	— Sept. 16, 1860
James T. Thurston*	Apr. 5, 1852	— June 14, 1878
Erastus Fairbanks	Jan. 3, 1853	— Jan. 4, 1858
Vernon P. Noyes	Jan. 3, 1853	— Jan. 1, 1855
James W. Hickok	Jan. 2, 1854	— Jan. 7, 1856
Jacob Collamer*	Jan. 1, 1855	— Nov. 9, 1865
George Prichard	Jan. 1, 1855	— Jan. 7, 1861
Chalon F. Davey	Jan. 7, 1856	— Jan. 2, 1865
George B. Chandler	Jan. 5, 1857	— Jan. 4, 1864
Roderick Richardson	Jan. 4, 1858	— Jan. 4, 1875
William H. H. Bingham*	Jan. 7, 1861	— Oct. 12, 1894
Hiram F. Stevens	Jan. 7, 1861	— Jan. 2, 1865
Rufus F. Andrews	Jan. 6, 1862	— Jan. 2, 1865
George W. Reed*	Jan. 4, 1864	— July 4, 1898
James C. Converse	Jan. 2, 1865	— Jan. 2, 1871
Franklin Haven	Jan. 2, 1865	— Jan. 4, 1875
Fred E. Smith	Jan. 2, 1865	— Jan. 2, 1871
Dudley C. Denison*	Jan. 1, 1866	— Feb. 10, 1905
Edward Dewey*	Jan. 7, 1867	— Oct. 26, 1900
Frederick Billings*	Jan. 2, 1871	— Sept. 30, 1890
Gilman B. DuBois	Jan. 2, 1871	— Jan. 1, 1872
James C. Houghton*	Jan. 1, 1872	— Mar. 4, 1902
Eustace C. Fitz	Jan. 4, 1875	— Jan. 7, 1878
Fred E. Smith*	Jan. 4, 1875	— Feb. 23, 1907
James T. Phelps*	Jan. 7, 1878	— Dec. 8, 1908
Perley P. Pitkin*	Jan. 7, 1878	— July 28, 1891
Charles T. Sabin*	Jan. 6, 1879	— Dec. 24, 1888
George Briggs	Jan. 7, 1889	— Apr. 13, 1920
Wheelock G. Veazey*	Jan. 7, 1889	— Mar. 22, 1898
Levi K. Fuller*	Jan. 5, 1891	— Oct. 10, 1896
George G. Benedict*	Jan. 4, 1892	— Apr. 8, 1907
William P. Dillingham*	Jan. 4, 1892	— July 12, 1923
W. Seward Webb	Jan. 15, 1895	— Jan. 15, 1907

HOME OFFICE FORCE, 1922

Joseph A. DeBoer*	Jan. 19, 1897 — Dec. 25, 1915
Harry M. Cutler	Jan. 17, 1899
John G. McCullough*	Jan. 17, 1899 — May 29, 1915
James B. Estee	Jan. 15, 1901 — Jan. 17, 1911
William W. Stickney	Jan. 20, 1903
James L. Martin*	Jan. 16, 1906 — Jan. 14, 1915
George H. Olmsted	Jan. 15, 1907
Fletcher D. Proctor*	Jan. 15, 1907 — Sept. 27, 1911
Fred A. Howland	Oct. 8, 1907
Charles P. Smith	Oct. 8, 1907
Charles W. Gammons	Jan. 19, 1909
Osman D. Clark	Jan. 17, 1911
Frank C. Partridge	Jan. 16, 1912
Henry R. Platt	Jan. 19, 1915
Arthur B. Bisbee	Jan. 18, 1916
Clark C. Fitts*	Jan. 18, 1916 — Dec. 20, 1916
J. Gray Estey	Jan. 16, 1917
John M. Thomas	Apr. 13, 1920
Elbert S. Brigham	Jan. 15, 1924

Presidents

William C. Kittredge	Nov. 8, 1849 — Jan. 6, 1851
Julius Y. Dewey*	Jan. 6, 1851 — May 29, 1877
Charles Dewey	June 5, 1877 — Jan. 15, 1901
James C. Houghton*	Jan. 15, 1901 — Mar. 4, 1902
Joseph A. DeBoer*	Apr. 8, 1902 — Dec. 25, 1915
Fred A. Howland	Jan. 18, 1916

Vice-Presidents

Edmund Weston	Nov. 8, 1849 — Jan. 6, 1851
Daniel Baldwin	Jan. 6, 1851 — Apr. 5, 1852
Timothy P. Redfield	Apr. 5, 1852 — Jan. 2, 1871
Charles Dewey	Jan. 2, 1871 — June 5, 1877
Edward Dewey	June 5, 1877 — Jan. 19, 1897
James C. Houghton	Jan. 19, 1897 — Jan. 15, 1901
Joseph A. DeBoer	Jan. 15, 1901 — April 8, 1902
James T. Phelps*	April 8, 1902 — Dec. 8, 1908
Fred A. Howland	Jan. 19, 1909 — Jan. 18, 1916
Harry M. Cutler	Jan. 18, 1916

Second Vice-Presidents

Daniel Baldwin	Nov. 8, 1849 — Jan. 6, 1851
Joseph A. DeBoer	Jan. 16, 1900 — Jan. 15, 1901
James B. Estee	Apr. 8, 1902 — Jan. 17, 1911
Harry M. Cutler	Jan. 17, 1911 — Jan. 18, 1916
Arthur B. Bisbee	Jan. 17, 1922
Edward D. Field	Jan. 17, 1922

Third Vice-President

Julius Converse	Nov. 8, 1849 — Jan. 6, 1851

Secretaries

Benjamin Balch	Nov. 8, 1849 — Jan. 15, 1850
Roger S. Howard	Jan. 15, 1850 — Aug. 6, 1850
James T. Thurston	Aug. 6, 1850 — Jan. 5, 1852
George W. Reed	Jan. 5, 1852 — Jan. 19, 1897
Joseph A. DeBoer	Jan. 19, 1897 — Apr. 4, 1899
Osman D. Clark	Apr. 4, 1899

Actuaries

Edward Dewey	Aug. 7, 1865 — June 5, 1877
John B. Thurston	June 5, 1877 — Jan. 5, 1885
George W. Reed	Jan. 5, 1885 — Jan. 3, 1887
Edward Dewey	Jan. 3, 1887 — Jan. 7, 1889
Osman D. Clark	Jan. 7, 1889 — Oct. 1, 1889
Joseph A. DeBoer	Oct. 1, 1889 — Apr. 8, 1902
Clarence E. Moulton	Apr. 8, 1902

Associate Actuary

Henry H. Jackson	Jan. 20, 1925

Treasurers

James C. Houghton	Jan. 5, 1885 — Jan. 19, 1897
Harry M. Cutler	Jan. 19, 1897 — Jan. 16, 1917
William W. Russell	Jan. 16, 1917

Counsel

Paul Dillingham	Apr. 2, 1872 — Jan. 5, 1874
Paul Dillingham*	Jan. 7, 1878 — July 26, 1891
Hiram A. Huse*	Jan. 17, 1899 — Sept. 23, 1902
William P. Dillingham	Jan. 17, 1899 — Jan. 15, 1901
Fred A. Howland	Jan. 20, 1903 — Apr. 11, 1916
George B. Young	Apr. 11, 1916

Superintendents of Agencies

Julius Y. Dewey	Apr. 4, 1850 — Jan. 6, 1851
James B. Estee	Jan. 18, 1898 — Jan. 17, 1911
Edward D. Field	Jan. 17, 1911 — Jan. 17, 1922
Loriman P. Brigham	Jan. 17, 1922

Medical Directors

Julius Y. Dewey	Nov. 9, 1849 — Jan. 6, 1851
Orrin Smith	Jan. 6, 1851 — Jan. 5, 1857
Charles B. Chandler	Jan. 8, 1859 — Jan. 2, 1860
Julius Y. Dewey	Jan. 2, 1860 — Jan. 1, 1861
Ezra Paine	Jan. 1, 1872 — Jan. 5, 1874
Sumner Putnam*	June 5, 1877 — Aug. 20, 1887
Arthur B. Bisbee	Jan. 2, 1888

From Jan. 7, 1861 to Jan. 1, 1872, and from Jan. 5, 1874 to June 5, 1877 no Medical Directors (or Examiners, as they were then called) were elected.

Assistant Secretaries

Edward Dewey	Aug. 7, 1865 — June 5, 1877
John B. Thurston	Apr. 2, 1872 — Jan. 5, 1874
John B. Thurston	Jan. 3, 1876 — Jan. 1, 1883
Edward Dewey	Jan. 7, 1884 — Jan. 5, 1885
Osman D. Clark	Jan. 5, 1885 — Apr. 4, 1899
George W. Oliphant	Apr. 13, 1920 — Apr. 12, 1921
George K. Putnam	Apr. 13, 1920
Herbert R. Pierce	Apr. 12, 1921

Assistant Actuaries

Henry Holt	Apr. 13, 1920
Henry H. Jackson	Apr. 13, 1920 — Jan. 20, 1925

Assistant Treasurers

Harry M. Cutler	Jan. 6, 1890 — Jan. 19, 1897
Clarence E. Moulton	Jan. 19, 1897 — Apr. 8, 1902
William W. Russell	Apr. 1, 1916 — Jan. 16, 1917
Paul Dillingham	Jan. 16, 1923

Assistant Superintendent of Agencies

Loriman P. Brigham	July 13, 1920 — Jan. 17, 1922

Assistant Medical Directors

Frederic W. Adams*	Jan. 15, 1850 — Dec. 17, 1858
Julius Y. Dewey	Jan. 5, 1852 — Jan. 3, 1859
Edwin A. Colton	Jan. 15, 1907
George E. Allen	Jan. 20, 1925

Cashier

Frank M. Kendall	Jan. 20, 1920

Supervisor of Farm Loans

Frank A. Dwinell	Jan. 20, 1920

Superintendent of Policy Loans

William B. Stratton	Jan. 16, 1923

Inspectors of Real Estate and Real Estate Loans

Frank A. Dwinell	Jan. 17, 1899 — Jan. 17, 1905
George Briggs	Jan. 15, 1901 — Jan. 20, 1920
Frank A. Dwinell	Jan. 19, 1909 — Jan. 20, 1920
Frank M. Bryan	Jan. 19, 1909 — Jan. 16, 1912
Frank K. Goss	Jan. 17, 1911 — Aug. 1, 1916
Paul Dillingham	Jan. 21, 1919 — Apr. 12, 1921
Maurice W. Dewey	Jan. 20, 1920

Inspectors of Farm Loans

Frank M. Bryan	Jan. 17, 1905 — Jan. 19, 1909
Frank A. Dwinell	Jan. 17, 1905 — Jan. 19, 1909

Superintendent of Mortgage Loans

Stanley Jayne	Jan. 16, 1923

Superintendents of Loan Department

Frank M. Bryan*	Jan. 18, 1916 — June 12, 1917
Herbert R. Pierce	Apr. 13, 1920 — Apr. 16, 1921
Paul Dillingham	Apr. 12, 1921 — Jan. 16, 1923

Agency Supervisors

Loriman P. Brigham	Apr. 13, 1920 — July 13, 1920
Alanson B. Shepard	Apr. 13, 1920
Robert P. Withington	Apr. 13, 1920
Peter O. Osterhus	Jan. 16, 1923

Attorneys

Guy B. Horton	Jan. 20, 1925
Clifton M. Heaton	Jan. 20, 1925
John M. Avery	Jan. 20, 1925

General Agents of the National Life Insurance Company

	Date of Contract
Alder, George D., Salt Lake City, Utah	Dec. 12, 1893
Alexander, J. V., Rochester, N. Y.	Nov. 2, 1914
Clanahan, Milo R., East St. Louis, Ill.	Jan. 1, 1904
Clark, DeW. A., Seattle, Wash.	Sept. 1, 1909
Courtney, Jos. S., Marquette, Mich.	Sept. 1, 1904
Cravens, Chas. A., Louisville, Ky.	Sept. 1, 1913
Crosthwait, Bruce L., Bloomington, Ill.	Nov. 1, 1915
Cutler, Edw. D., Syracuse, N. Y.	Oct. 1, 1924
Cutler, R. H., Springfield, Mass.	July 1, 1919
Dewey, Geo. P., Portland, Me.	Feb. 1, 1887

*Died in office.

	Date of Contract
Dunlap, James T., Birmingham, Ala.	Sept. 1, 1905
Gaylord, Edw. S., Syracuse, N. Y.	May 15, 1915
George & Stedman, Baltimore, Md.	Jan. 2, 1922
Grady, W. M., Sioux City, Iowa	July 15, 1909
Gseller, A. H., New York City	Mar. 10, 1911
Hayward, Norman W., Providence, R. I.	Jan. 15, 1913
Heller, Francis E., Helena, Montana	Aug. 1, 1909
Henderson & Associates, Inc., Wm. B., Kansas City, Mo.	Mar. 24, 1903
Hildebrand, H., Sioux Falls, S. D.	Feb. 10, 1916
Hoadley, E. A., Williamsport, Pa.	May 1, 1922
Home Office Agency, Montpelier, Vt.	
Hope & Co., Geo. M., Atlanta, Ga.	Sept. 1, 1903
Hulburd, R. W., Hyde Park, Vt.	July 27, 1887
Humphrey, H. M., Goldsboro, N. C.	June 1, 1904
Johnson, Bruce S., Rochester, N. Y.	Nov. 2, 1914
Johnson, J. Henry, Oklahoma City, Okla.	Jan. 17, 1905
Kinsley, Earle S., Rutland, Vt.	Apr. 1, 1897
McCord, Ralph N., Los Angeles, Cal.	Dec. 1, 1924
McMahon, Edw. M., New York City	Mar. 24, 1924
Montgomery, C. S., Los Angeles, Cal.	Sept. 1, 1908
Moran, T. Francis, Albany, N. Y.	Jan. 1, 1919
Murphy, Horatio G., Minneapolis, Minn.	Jan. 1, 1907
Olmsted Bros. & Co., Cleveland, O.	Aug. 20, 1887
O'Neil, Edward, Pittsburgh, Pa.	Oct. 18, 1895
Palmer, Chas. B., Wilmington, Del.	Aug. 1, 1907
Phelps & Co., James T., Boston, Mass.	Jan. 1, 1897
Pomeroy, Reynolds, Philadelphia, Pa.	Nov. 10, 1924
Rardin, J. C., Huntington, W. Va.	Feb. 10, 1916
Read, H. K., Philadelphia, Pa.	May 1, 1903
Rench, F. T., St. Louis, Mo.	Nov. 14, 1911
Rhodes & Son, Sam'l. T., Roanoke, Va.	Aug. 1, 1904
Robinson, George M., Detroit, Mich.	Feb. 12, 1923
Schneider, C. T., Omaha, Neb.	Feb. 1, 1921
Sprague & Son, W. W., St. Johnsbury, Vt.	July 1, 1905
Standart & Main, Denver, Colo.	July 1, 1921
Stolp, F. A., San Francisco, Cal.	Dec. 15, 1906
Strong, E. N., Portland, Ore.	Jan. 1, 1923
Thompson, T. C., Chattanooga, Tenn.	June 18, 1898
Timberlake, Chas. W., Cedar Rapids, Iowa	Jan. 1, 1923

	Date of Contract
Tuller, W. James, Hartford, Conn.	June 1, 1923
Vidal, H. A., Buffalo, N. Y.	Apr. 1, 1919
Wellman, James A., Manchester, N. H.	Feb. 20, 1895
Woodard, S. C., Chicago, Ill.	Aug. 31, 1921
Worthington, W. C., Washington, D. C.	Dec. 1, 1916
Yost, J. Frank, Des Moines, Iowa	Dec. 1, 1924
Zoeckler, Leon J., Davenport, Iowa	Oct. 1, 1920

Percentage of Actual to Expected Mortality

1890 — 1924 Inclusive

Year	Per cent	Year	Per cent	Year	Per cent
1890	56 9	1902	60 1	1914	63 0
1891	64 8	1903	53 4	1915	65 9
1892	66 3	1904	50 8	1916	63 7
1893	64 0	1905	64 1	1917	63 7
1894	51 2	1906	66 9	1918	84 1
1895	77 0	1907	72 9	1919	63 3
1896	60 1	1908	63 7	1920	58 3
1897	65 1	1909	61 1	1921	51 7
1898	69 0	1910	63 8	1922	50 6
1899	70 3	1911	60 4	1923	49 9
1900	59 8	1912	67 0	1924	47 8
1901	58 5	1913	58 1		

Aggregates

Years	Per cent
1890 — 1899	65 0
1900 — 1909	61 6
1910 — 1919	65 7
1920 — 1924	51 3
1890 — 1924	60 3
1900 — 1924	59 6
1910 — 1924	58 8
1915 — 1924	57 9
1920 — 1924	51 3

HOME OF PRESIDENT J. A. DE BOER

Site of Present Home Office

Rate of Net Interest Earned to Mean Ledger Assets

1890 — 1924 Inclusive

Year	Per cent	Year	Per cent	Year	Per cent
1890	5 57	1902	4 33	1914	4 88
1891	5 32	1903	4 54	1915	4 93
1892	5 38	1904	4 57	1916	4 89
1893	5 11	1905	4 56	1917	4 88
1894	4 88	1906	4 58	1918	4 94
1895	4 82	1907	4 66	1919	4 89
1896	4 21	1908	4 69	1920	4 98
1897	3 72	1909	4 74	1921	5 17
1898	4 26	1910	4 72	1922	5 19
1899	4 01	1911	4 77	1923	5 23
1900	4 73	1912	4 84	1924	5 05
1901	4 37	1913	4 92		

Aggregates

Years	Per Cent
1890 — 1899	4 56
1900 — 1909	4 60
1910 — 1919	4 87
1920 — 1924	5 13
1890 — 1924	4 86
1900 — 1924	4 89
1910 — 1924	4 98
1915 — 1924	5 03
1920 — 1924	5 13

Present Net Cost Three Per Cent Reserve Basis

In the last seventeen years the National has reduced the cost of insurance on seven different occasions by increasing the regular dividend scale, and in 1924 the seventh increase in the scale, effective in 1925, was followed by a special extra dividend, also payable in 1925. The effect of these several reductions in the net cost of the insurance is illustrated by the following table:

BREAKING GROUND FOR PRESENT BUILDING—APRIL 26, 1921

First Year Net Cost Per $1,000

At Age 35

Showing Reductions by Changes in Dividend Scale

Year	Life	20-Payment Life	20-Year Endowment
1908	$25 56	$35 32	48 81
1909	23 64	33 53	46 69
1910	23 28	32 73	45 99
1911	22 88	32 34	45 60
1912	22 79	32 25	45 50
1916	22 35	31 81	45 07
1924	21 83	31 46	44 75
1925	21 31	30 93	44 21
Including Extra			
1925	20 31	29 92	43 19

The reduction since 1908 on regular scale, excluding 1925 extra dividend, has been $4.25 per $1,000 on the Life form, $4.39 on Twenty Payment Life, and $4.60 on Twenty Year Endowment.

The gross premiums per $1,000 at age 35 from 1901 to 1923 were: Life $27.41, Twenty Payment Life $35.32, Twenty Year Endowment $50.90. The corresponding present rates introduced January 1, 1923, are: Life $26.35, Twenty Payment Life $36.00, Twenty Year Endowment $49.33.

Since its organization in 1850 the Company has paid policy holders $158,218,686, which, with assets now held to their credit, exceeds the premiums received by $20,958,295.

INNER COURT OF THE NEW HOME OFFICE

National Life Insurance Company

Insurance Outstanding by States

December 31, 1924 — Paid-for Basis

Name of State	Year of Entry	Policies	Insurance
Alabama	1902	1 162	$3 057 576
California	1885	5 086	16 476 813
Colorado	1888	945	2 433 489
Connecticut	1893	1 956	3 760 065
Delaware	1899	1 503	4 382 963
Dist. of Columbia	1887	974	4 978 243
Georgia	1901	7 339	14 601 987
Idaho	1902	45	56 834
Illinois*	1869	6 281	21 021 788
Indiana	1890	3 986	8 180 856
Iowa	1873	4 277	9 353 653
Kansas	1900	2 580	5 778 516
Kentucky	1891	7 147	15 292 748
Maine*	1868	1 934	3 711 285
Maryland	1888	3 692	10 020 052
Massachusetts	1850	10 777	40 576 041
Michigan*	1872	4 244	10 634 703
Minnesota	1875	4 244	9 811 500
Missouri	1889	7 936	19 913 535
Montana	1898	1 350	3 533 191
Nebraska	1886	1 568	3 809 412
New Hampshire*	1868	7 197	12 712 355
New Jersey	1882	750	2 240 275
New York	1850	13 657	41 663 234
North Carolina	1902	6 988	15 484 521
North Dakota	1905	545	963 465
Ohio*	1869	19 520	50 691 369
Oklahoma	1902	2 946	6 297 659
Oregon	1905	1 668	4 798 268
Pennsylvania*	1874	6 964	21 696 579
Rhode Island	1861	1 014	3 881 978
South Carolina†	1904	26	26 559
South Dakota	1905	893	1 867 413
Tennessee	1898	2 264	6 089 663
Texas†	1904	130	231 698
Utah	1893	900	2 033 534
Vermont	1850	9 024	17 552 328
Virginia	1898	3 245	7 179 851
Washington	1889	1 836	4 799 409
West Virginia	1888	2 387	7 317 497
Wisconsin†	1891	934	1 393 449
Wyoming	1893	393	1 259 505
Total		162 307	$421 565 859

* Business was interruptedly done in these States as early as 1850 and thereafter, but regularly on and after the date given in the table.

† Company not now doing business in these States.

THE RALPH ADAMS CRAM STUDY FOR EXTENDING THE OLD HOME OFFICE

THE NEW HOME OFFICE BUILDING, MONTPELIER, VT.

Ground broken April 26, 1921, completed and occupied June 19, 1922.

The problem of attempting to utilize the 250,000 cubic feet contained in the old home office building by extending that structure was submitted to Ralph Adams Cram of Boston, whose international reputation as an architect of preëminence in the Gothic and Romanesque field is beyond question. Mr. Cram developed a most attractive extension, embodying the old building as a corner of a mediaeval structure, as shown in the accompanying sketches. This plan supplied sufficient floor space to meet current needs, but because of the difficulty of further extensions and of creating a satisfactory plan for the economic handling of daily routine, the effort was abandoned in favor of an entirely new structure, so planned as to provide for enlargements to cover future growth.

The present building, containing 1,796,000 cubic feet, represents about one-half of the contemplated structure. The building has a frontage on State Street of one hundred and sixty-six and one-half feet by sixty-six feet in depth, with a frontage on Western Avenue of one hundred and sixty-seven feet by sixty-two feet in depth, contains one hundred and twenty-four rooms, with 106,123 square feet of floor space. The exterior is from the "Rock of Ages" quarry of Barre granite, the use of which was made possible by the hearty coöperation of Mr. James M. Boutwell, President of the Boutwell, Milne & Varnum quarries. The interior marble finish was supplied by the Vermont Marble Company of Proctor, Vermont, the corridors on the lower floor from their quarries in Italy and Tennessee, while the remainder of the finish came from their quarries in Vermont.

Electrical energy is supplied by the local service station under high tension alternating current, transformed in our power house to low tension direct current, with a capacity of 216 kilowatts for power circuit and 92 kilowatts for lighting, with provision for increasing these units, as required, to 275 kilowatts on the power circuit and 156 kilowatts on the lighting circuit. The system of distribution, including the size of conduits and gauge of wire, is designed for a building twice the size of the

present building, and will require no modification in the central power plant, when additions are made. Electrical energy to the extent of 200,000 kilowatt hours is required per year for operating the electric service equipment.

The heating and ventilating system consists of 256 units, representing 16,000 square feet of direct radiation, in addition to 3,000 square feet of indirect radiation, supplied with clarified fresh air through 275 bag screens. The ventilating system provides for a change of the entire air content of the building every fifteen minutes, supplying to each individual approximately thirty cubic feet of fresh air per minute, with entirely separate ventilation for power house, electric and service rooms.

THE END

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